

03 6-25-24

(R-2024-649)

RESOLUTION NUMBER R- 315637

DATE OF FINAL PASSAGE JUL 02 2024

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN DIEGO AUTHORIZING THE MAYOR TO EXECUTE THE AGREEMENT WITH CROWE, LLP, FOR OUTSIDE AUDIT SERVICES WITH RESPECT TO THE CITY OF SAN DIEGO'S ANNUAL COMPREHENSIVE ANNUAL FINANCIAL REPORT AND OTHER AUDIT SERVICES FOR FISCAL YEARS 2024 THROUGH 2028.

WHEREAS, pursuant to San Diego Charter (Charter) section 111, the City of San Diego (City) is required to retain independent outside auditors who are in no way connected to the City to perform an audit of all accounts and books of all City departments each year; and

WHEREAS, pursuant to Charter section 39.1, the Audit Committee recommends the retention of the City's outside auditors to the City Council; and

WHEREAS, on June 14, 2023, the Audit Committee began discussions for the development and eventual issuance of a Request for Proposal for Annual Audit Services Related to the Annual Comprehensive Financial Report (ACFR), Single Audit and Other Audit Services for Fiscal Years 2024 through 2028 (RFP); and

WHEREAS, on November 15, 2023, the Audit Committee reviewed and approved the RFP; and

WHEREAS, Request for Proposal No. 10090112-24-L was issued on January 4, 2024; and

WHEREAS, after the close of the RFP, a Technical Evaluation Committee reviewed six of the seven proposals received; and

WHEREAS, based on express evaluation criteria, the Technical Evaluation Committee recommended that Crowe, LLP, be awarded the contract for Annual Audit Services Related to the Annual Comprehensive Financial Report (ACFR), Single Audit and Other Audit Services for Fiscal Years 2024 through 2028; and

WHEREAS, on June 12, 2024, the Audit Committee accepted the Technical Evaluation Committee's recommendation to award the contract to Crowe, LLP, and to forward the recommendation to the City Council for consideration and approval; and

WHEREAS, the Office of the City Attorney has drafted this resolution based on the information provided by City staff, with the understanding that this information is complete, true, and accurate; NOW, THEREFORE,

BE IT RESOLVED, by the City Council of the City of San Diego, that the Mayor, or his designee, is authorized to execute an Agreement with Crowe, LLP, for Annual Audit Services Related to the Annual Comprehensive Financial Report (ACFR), Single Audit and Other Audit Services for Fiscal Years 2024 through 2028 (Agreement), which is approved by this action and incorporates the terms of the RFP, Crowe's proposal, and the agreed-upon exceptions which are on file with the Office of the City Clerk as Document No. RR- 315637.

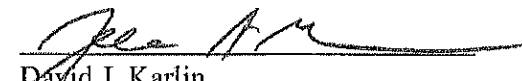
BE IT FURTHER RESOLVED, that the Agreement with Crowe, LLP, shall be a five-year contract with a total not-to-exceed amount of \$3,205,558, with the following anticipated amounts for Fiscal Years 2024 through 2028: \$580,125 for Fiscal Year 2024; \$609,131 for Fiscal Year 2025; \$639,590 for Fiscal Year 2026; \$671,567 for Fiscal Year 2027; and \$705,145 for Fiscal Year 2028.

BE IT FURTHER RESOLVED, that the Chief Financial Officer is authorized to appropriate and expend approximately \$580,125 for Fiscal Year 2024, \$609,131 for Fiscal Year

2025, \$639,590 for Fiscal Year 2026, \$671,567 for Fiscal Year 2027, and \$705,145 for Fiscal Year 2028 for the auditing services to be provided by Crowe, LLP, under the Agreement contingent upon certification of the availability of funds by the Chief Financial Officer, and with Fiscal Years 2025 through 2028 funding additionally contingent upon the adoption of the Fiscal Year 2025, 2026, 2027, and 2028 Appropriation Ordinance for each respective fiscal year.

APPROVED: MARA W. ELLIOTT, City Attorney

By


David J. Karlin
Senior Deputy City Attorney

DJK:cm
June 12, 2024
Or.Dept: Auditor
CC No. 3000016826
Doc. No. 3680052

I certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of JUN 25 2024.

DIANA J.S. FUENTES
City Clerk

By Kristelle Medina
Deputy City Clerk

Approved: 7/1/24
(date)

Todd Gloria
TODD GLORIA, Mayor

Vetoed: _____
(date)

TODD GLORIA, Mayor

The City of San Diego
COMPTROLLER'S CERTIFICATE

CERTIFICATE OF UNALLOTTED BALANCE

ORIGINATING

CC 3000016828
 DEPT. NO.: **BA: 1215**

I HEREBY CERTIFY that the money required for the allotment of funds for the purpose set forth in the foregoing resolution is available in the Treasury, or is anticipated to come into the Treasury, and is otherwise unallotted.

Amount: _____

Purpose: _____

Date: _____

By: _____
 COMPTROLLER'S DEPARTMENT

ACCOUNTING DATA									
Doc. Item	Funded Program	Fund	Grant Number	G/L Account	Functional Area	Business Area	Fund Center or Cost Center	Internal Order or WBS Element	Original Amount
TOTAL AMOUNT									

FUND OVERRIDE

CERTIFICATION OF UNENCUMBERED BALANCE

I HEREBY CERTIFY that the indebtedness and obligation to be incurred by the contract or agreement authorized by the hereto attached resolution, can be incurred without the violation of any of the provisions of the Charter of the City of San Diego; and I do hereby further certify, in conformity with the requirements of the Charter of the City of San Diego, that sufficient moneys have been appropriated for the purpose of said contract, that sufficient moneys to meet the obligations of said contract are actually in the Treasury, or are anticipated to come into the Treasury, to the credit of the appropriation from which the same are to be drawn, and that the said money now actually in the Treasury, together with the moneys anticipated to come into the Treasury, to the credit of said appropriation, are otherwise unencumbered.

Not to Exceed: \$580,125.00

Vendor: Crowe, LLP -

Purpose: To authorize the expenditure of funds not to exceed \$580,125 to Crowe, LLP for Proposal (RFP) Number 10090112-24-L, for Annual Audit Services Related to the Annual Comprehensive Financial Report (ACFR), Single Audit and Other Audit Services

Date: June 5, 2024

By: Alyssa Yopez *Alyssa Yopez*
 COMPTROLLER'S DEPARTMENT

ACCOUNTING DATA									
Doc. Item	Funded Program	Fund	Grant Number	G/L Account	Functional Area	Business Area	Fund Center or Cost Center	Internal Order or WBS Element	Original Amount
See Second Page									
TOTAL AMOUNT									

FUND OVERRIDE

Doc. Item	Funded Program	Fund	Grant Number	G/L Account	Functional Area	Business Area	Fund Center or Cost Center	Internal Order or WBS Element	Original Amount
1		100000		512037	OTHR-000000000-GG	1215	1215000001		\$290,677.00
2		100000		512037	OTHR-000000000-GG	1517	1517000001		\$13,125.00
3	900434000000	200700		512037	OTHR-000000000-NS	2200	2200100011	900434000000	\$8,303.00
4		200803		512037	OTHR-000000000-NS	1620	1620000001		\$31,500.00
5		700000		512037	OTHR-000000000-SU	2000	2000000001		\$47,141.00
6		700001		512037	OTHR-000000000-SU	2000	2000000001		\$79,180.00
7		700011		512037	OTHR-000000000-WU	2000	2000000001		\$94,489.00
8		700033		512037	OTHR-000000000-AP	2111	2111000001		\$1,408.00
9		700036		512037	OTHR-000000000-DS	1611	1611000012		\$5,683.00
10		700039		512037	OTHR-000000000-ES	2115	2115120001		\$4,013.00
11		700043		512037	OTHR-000000000-GF	1714	1714160011		\$2,399.00
12		700048		512037	OTHR-000000000-RC	2115	2115130001		\$2,207.00
TOTAL AMOUNT									\$580,125.00

Passed by the Council of The City of San Diego on JUN 25 2024, by the following vote:

Councilmembers	Yeas	Nays	Not Present	Recused
Joe LaCava	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Jennifer Campbell	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Stephen Whitburn	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Henry L. Foster III	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Marni von Wilpert	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Kent Lee	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Raul A. Campillo	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Vivian Moreno	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sean Elo-Rivera	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Date of final passage JUL 02 2024.

(Please note: When a resolution is approved by the Mayor, the date of final passage is the date the approved resolution was returned to the Office of the City Clerk.)

AUTHENTICATED BY:

TODD GLORIA
Mayor of The City of San Diego, California.

(Seal)

DIANA J.S. FUENTES
City Clerk of The City of San Diego, California.

By Kristell Medina, Deputy

Office of the City Clerk, San Diego, California

Resolution Number R- **315637**

Passed by the Council of The City of San Diego on June 25, 2024, by the following vote:

YEAS: CAMPBELL, WHITBURN, FOSTER III, VON WILPERT, LEE, CAMPILLO,
MORENO & ELO-RIVERA.

NAYS: NONE.

NOT PRESENT: LACAVA.

RECUSED: NONE.

AUTHENTICATED BY:

TODD GLORIA

Mayor of The City of San Diego, California

DIANA J.S. FUENTES

City Clerk of The City of San Diego, California

(Seal)

By: Linda Irvin, Deputy

I HEREBY CERTIFY that the above and foregoing is a full, true, and correct copy of
RESOLUTION NO. R-315637 approved on June 25, 2024. The date of final passage
is July 2, 2024.

DIANA J.S. FUENTES

City Clerk of the City of San Diego, California

(Seal)

By: Linda Irvin Deputy

Purchasing & Contracting Department

June 6, 2024

VIA EMAIL TO: Kathy.Lai@crowe.com

Ms. Katherine V. Lai, CPA, CGMA, Partner
Crowe, LLP
650 Town Center Drive, Suite 740
Costa Mesa, CA 92626-7192

Reference: Request for Proposal (RFP) No. 10090112-24-L, Annual Audit Services Related to the Annual Comprehensive Financial Report (ACFR), Single Audit and Other Audit Services

Dear Ms. Lai:

Subject: Exceptions

This letter confirms our agreement to clarify and modify the terms of the Contract relating to the above-referenced solicitation. The Parties agree as follows:

1. Section 4.3.1 of Exhibit C, General Contract Terms and Provisions, shall be deleted in its entirety and replaced with the following:

4.3.1 If Contractor fails to satisfactorily cure a default within thirty (30) calendar days of receiving written notice from City specifying the nature of the default, City may immediately cancel and/or terminate this Contract, and terminate each and every right of Contractor, and any person claiming any rights by or through Contractor under this Contract.

2. Section 4.3.2 of Exhibit C, General Contract Terms and Provisions, shall be deleted in its entirety and replaced with the following:

4.3.2 If City terminates this Contract, in whole or in part, Contractor shall continue performance to the extent not terminated.

3. Section 4.5.2 of Exhibit C, General Contract Terms and Provisions, shall be deleted in its entirety and replaced with the following:

4.5.2 Termination for Default. If, after City gives notice of termination for failure to fulfill Contract obligations to Contractor, it is determined that Contractor had not so failed, the termination shall be deemed to have been effected for the convenience of City. In such event, adjustment in the Contract price shall be made as provided in

Section 4.5.1. City's rights and remedies are in addition to any other rights and remedies provided by law or under this Contract.

4. Section 4.7 of Exhibit C, General Contract Terms and Provisions, shall be added, as follows:

4.7. Contractor's Right to Terminate. Contractor has the right to terminate the agreement based upon a material breach by the City after written notice and right to cure.

As a regulated professional services firm, Contractor must follow professional standards when applicable, including the Code of Professional Conduct of the American Institute of Certified Public Accountants ("AICPA"). Thus, if circumstances arise that, in Contractor's professional judgment, prevent it from completing the engagement, Contractor retains the right to take any course of action permitted by professional standards, including declining to express an opinion or issue other work product or terminating the engagement.

5. Section 5.1, "**Inspection and Acceptance**" of Exhibit C, General Contract Terms and Provisions, shall be deleted in its entirety and replaced with the following:

5.1 RESERVED.

6. Section 5.4, "**Delivery**" of Exhibit C, General Contract Terms and Provisions, shall be deleted in its entirety and replaced with the following:

5.4 RESERVED.

7. Section 5.5 of Exhibit C, General Contract Terms and Provisions, shall be deleted in its entirety and replaced with the following:

5.5 Delay. Unless otherwise specified herein, time is of the essence for each and every provision of the Contract and applies to all parties. Contractor must immediately notify City in writing if there is, or it is anticipated that there will be, a delay in performance. The written notice must explain the cause for the delay and provide a reasonable estimate of the length of the delay. City may terminate this Contract as provided herein if City, in its sole discretion, determines the delay is material.

8. Section 5.7, "**Warranties**" of Exhibit C, General Contract Terms and Provisions, shall be deleted in its entirety and replaced with the following:

5.7 RESERVED.

9. Section 6.1 of Exhibit C, General Contract Terms and Provisions, shall be deleted in its entirety and replaced with the following:

6.1 Rights in Data. If, in connection with the services performed under this Contract, Contractor or its employees, agents, or subcontractors, create artwork, audio recordings, blueprints, designs, diagrams, documentation, photographs, plans, reports, software, source code, specifications, surveys, system designs, video recordings, or any other original works of authorship, whether written or readable by machine (Deliverable Materials), all rights of Contractor or its subcontractors in the Deliverable Materials, including, but not limited to publication, and registration of copyrights, and trademarks in the Deliverable Materials, are the sole property of City. Contractor, including its employees, agents, and subcontractors, may not use any Deliverable Material for purposes unrelated to Contractor's work on behalf of the City without prior written consent of City. Contractor may not publish or reproduce any Deliverable Materials, for purposes unrelated to Contractor's work on behalf of the City, without the prior written consent of the City. Notwithstanding the foregoing, Contractor retains ownership rights in its work papers, which consists of records of the audit procedures performed, copies of any relevant audit evidence, and the conclusions reached therefrom.

10. Section 7.1 **Indemnification** of Exhibit C, General Contract Terms and Provisions, shall be deleted in its entirety and replaced with the following:

7.1 RESERVED.

11. Section **Article VIII, "BONDS"** of Exhibit C, General Contract Terms and Provisions, shall be deleted in its entirety and replaced with the following:

Article VIII RESERVED

Please indicate your agreement with the above by signing the bottom of this letter. Thank you for your assistance.

Sincerely,

Lisa Hoffmann

Lisa Hoffmann, CPPB
Senior Procurement Contracting Officer

This Letter is executed by the City and Contractor acting by and through their authorized officers.

CROWE LLP

By: Katherine V. Lai
Katherine V. Lai (Jun 6, 2024 15:43 PDT)

Name: Katherine V. Lai

Title: Partner

Date: Jun 6, 2024

THE CITY OF SAN DIEGO

By: [Signature]

Name: Claudia C. Abarca

Title: Director, Purchasing & Contracting

Date: July 10, 2024







1) 10090112-24-L_Exceptions Letter_Crowe_Final

Final Audit Report

2024-06-06

Created:	2024-06-06
By:	Lisa Hoffmann (lhoffmann@sandiego.gov)
Status:	Signed
Transaction ID:	CBJCHBCAABAAI1b8eZSZn3KrdxSUu5CGEzj7SiUgmqw3

"1) 10090112-24-L_Exceptions Letter_Crowe_Final" History

-  Document created by Lisa Hoffmann (lhoffmann@sandiego.gov)
2024-06-06 - 3:57:39 PM GMT- IP address: 156.29.5.177
-  Document emailed to kathy.lai@crowe.com for signature
2024-06-06 - 3:58:54 PM GMT
-  Email viewed by kathy.lai@crowe.com
2024-06-06 - 4:22:45 PM GMT- IP address: 174.67.239.35
-  Signer kathy.lai@crowe.com entered name at signing as Katherine V. Lai
2024-06-06 - 10:43:31 PM GMT- IP address: 174.67.239.35
-  Document e-signed by Katherine V. Lai (kathy.lai@crowe.com)
Signature Date: 2024-06-06 - 10:43:33 PM GMT - Time Source: server- IP address: 174.67.239.35
-  Agreement completed.
2024-06-06 - 10:43:33 PM GMT

CONTRACT RESULTING FROM REQUEST FOR PROPOSAL NUMBER 10090112-24-L, Annual Audit Services Related to the Annual Comprehensive Financial Report (ACFR), Single Audit and Other Audit Services

This Contract (Contract) is entered into by and between the City of San Diego, a municipal corporation (City), and the successful proposer to Request for Proposal (RFP) # 10090112-24-L, Annual Audit Services Related to the Annual Comprehensive Financial Report (ACFR), Single Audit and Other Audit Services (Contractor).

RECITALS

On or about 01/04/2024, City issued an RFP to prospective proposers on services to be provided to the City. The RFP and any addenda and exhibits thereto are collectively referred to as the "RFP." The RFP is attached hereto as Exhibit A.

City has determined that Contractor has the expertise, experience, and personnel necessary to provide the services.

City wishes to retain Contractor to provide annual audit services related to the Annual Comprehensive Financial Report (ACFR), Single Audit and Other Audit Services as further described in the Scope of Work, attached hereto as Exhibit B. (Services).

For good and valuable consideration, the sufficiency of which is acknowledged, City and Contractor agree as follows:

**ARTICLE I
CONTRACTOR SERVICES**

1.1 Scope of Work. Contractor shall provide the Services to City as described in Exhibit B which is incorporated herein by reference. Contractor will submit all required forms and information described in Exhibit A to the Purchasing Agent before providing Services.

1.2 General Contract Terms and Provisions. This Contract incorporates by reference the General Contract Terms and Provisions, attached hereto as Exhibit C.

1.3 Contract Administrator. The City Auditor Department (Department) is the Contract Administrator for this Agreement. Contractor shall provide the Services und the direction of a designated representative of the Department as follows:

Danielle Knighten, Deputy City Auditor
600 B Street, 13th Floor, Ste 1350
San Diego, CA 92101
619-533-3032
dknighten@sandiego.gov

**ARTICLE II
DURATION OF CONTRACT**

2.1 Term. This Contract shall be for a period of five (5) years beginning on the Effective Date. Unless otherwise terminated, this Contract shall be effective until completion of the Scope of Services. The term of this Contract shall not exceed five years unless approved by the City

Council by ordinance.

2.2 Effective Date. This Contract shall be effective on the date it is executed by the last Party to sign the Contract, and approved by the City Attorney in accordance with San Diego Charter Section 40.

ARTICLE III COMPENSATION

3.1 Amount of Compensation. City shall pay Contractor for performance of all Services rendered in accordance with this Contract in an amount not to exceed \$3,205,558. (The Single Audit fee assumes 3 major programs annually.) KVL
KVL
(The not to exceed amount will be added in this final Contract prior to the final execution of the Contract by the City, with the Contractor's initials indicating acceptance.)

ARTICLE IV WAGE REQUIREMENTS

4.1 Reserved.

ARTICLE V CONTRACT DOCUMENTS

5.1 Contract Documents. The following documents comprise the Contract between the City and Contractor: this Contract and all exhibits thereto; the RFP; the Contractor's Pricing in the RFP proposal; the Notice to Proceed; and the City's written acceptance of exceptions or clarifications to the RFP, if any.

5.2 Contract Interpretation. The Contract Documents completely describe the Services to be provided. Contractor will provide any Services that may reasonably be inferred from the Contract Documents or from prevailing custom or trade usage as being required to produce the intended result whether or not specifically called for or identified in the Contract Documents. Words or phrases which have a well-known technical or construction industry or trade meaning and are used to describe Services will be interpreted in accordance with that meaning unless a definition has been provided in the Contract Documents.

5.3 Precedence. In resolving conflicts resulting from errors or discrepancies in any of the Contract Documents, the Parties will use the order of precedence as set forth below. The 1st document has the highest priority. Inconsistent provisions in the Contract Documents that address the same subject, are consistent, and have different degrees of specificity, are not in conflict and the more specific language will control. The order of precedence from highest to lowest is as follows:

1st Any properly executed written amendment to the Contract

2nd The Contract

3rd The RFP and the City's written acceptance of any exceptions or clarifications to the RFP, if any

4th Contractor's Pricing

5.4 Counterparts. This Contract may be executed in counterparts which, when taken together, shall constitute a single signed original as though all Parties had executed the same page.

5.5 Public Agencies. Other public agencies, as defined by California Government Code section 6500, may choose to use the terms of this Contract, subject to Contractor's acceptance. The City is not liable or responsible for any obligations related to a subsequent Contract between Contractor and another public agency.

IN WITNESS WHEREOF, this Contract is executed by City and Contractor acting by and through their authorized officers.

CONTRACTOR

CITY OF SAN DIEGO
A Municipal Corporation

Crowe LLP
Proposer

BY: 

650 Town Center Drive, Suite 740
Street Address

Print Name:

Costa Mesa, California 92626-7192
City, State, Zip


Matthew Vespi, CFO
~~Director, Purchasing & Contracting Department~~

714.668.5376
Telephone No.

7/8/2024
Date Signed


kathy.lai@crowe.com
E-Mail

BY:


Signature of
Proposer's Authorized
Representative

Approved as to form this 11th day of
July, 2024.
MARA W. ELLIOTT, City Attorney

Katherine V. Lai
Print Name

BY: 
Deputy City Attorney

Partner
Title

February 28, 2024
Date

Signature: Katherine V. Lai

Katherine V. Lai (Jun 6, 2024 15:41 PDT)

Email: kathy.lai@crowe.com







RFP 10090112-24-L_Contract signature pages

Final Audit Report

2024-06-06

Created:	2024-06-06
By:	Lisa Hoffmann (lhoffmann@sandiego.gov)
Status:	Signed
Transaction ID:	CBJCHBCAABAA8KmLxCPbnrhcgUwKChB6C5kjpX8yG_jv

"RFP 10090112-24-L_Contract signature pages" History

-  Document created by Lisa Hoffmann (lhoffmann@sandiego.gov)
2024-06-06 - 10:38:08 PM GMT- IP address: 156.29.5.177
-  Document emailed to kathy.lai@crowe.com for signature
2024-06-06 - 10:39:11 PM GMT
-  Email viewed by kathy.lai@crowe.com
2024-06-06 - 10:39:23 PM GMT- IP address: 174.67.239.35
-  Signer kathy.lai@crowe.com entered name at signing as Katherine V. Lai
2024-06-06 - 10:41:01 PM GMT- IP address: 174.67.239.35
-  Document e-signed by Katherine V. Lai (kathy.lai@crowe.com)
Signature Date: 2024-06-06 - 10:41:03 PM GMT - Time Source: server- IP address: 174.67.239.35
-  Agreement completed.
2024-06-06 - 10:41:03 PM GMT

**EXHIBIT A
PROPOSAL SUBMISSION AND REQUIREMENTS**

A. PROPOSAL SUBMISSION

1. Timely Proposal Submittal. Proposals must be submitted as described herein to the Purchasing & Contracting Department (P&C).

1.1 Reserved.

1.2 Paper Proposals. The City will accept paper proposals in lieu of eProposals. Paper proposals must be submitted in a sealed envelope to the Purchasing & Contracting Department (P&C) located at 1200 Third Avenue, Suite 200, San Diego, CA 92101. The Solicitation Number and Closing Date must be referenced in the lower left-hand corner of the outside of the envelope. Faxed proposals will not be accepted.

1.3 Proposal Due Date. Proposals must be submitted prior to the Closing Date indicated on the eBidding System. E-mailed and/or faxed proposals will not be accepted.

1.4 Pre-Proposal Conference. No pre-proposal conference will be held for RFP.

1.4.1 Reserved.

1.5 Questions and Comments. Written questions and comments must be submitted electronically via the eBidding System no later than the date specified on the eBidding System. Only written communications relative to the procurement shall be considered. The City's eBidding System is the only acceptable method for submission of questions. All questions will be answered in writing. The City will distribute questions and answers without identification of the inquirer(s) to all proposers who are on record as having received this RFP, via its eBidding System. No oral communications can be relied upon for this RFP. Addenda will be issued addressing questions or comments that are determined by the City to cause a change to any part of this RFP.

1.6 Contact with City Staff. Unless otherwise authorized herein, proposers who are considering submitting a proposal in response to this RFP, or who submit a proposal in response to this RFP, are prohibited from communicating with City staff about this RFP from the date this RFP is issued until a contract is awarded.

2. Proposal Format and Organization. Unless electronically submitted, all proposals should be securely bound and must include the following completed and executed forms and information presented in the manner indicated below:

Tab A - Submission of Information and Forms.

2.1 Completed and signed Contract Signature Page. If any addenda are issued, the latest Addendum Contract Signature Page is required.

2.2 Exceptions requested by proposer, if any. The proposer must present written factual or legal justification for any exception requested to the Scope of Work, the Contract, or the Exhibits thereto. Any exceptions to the Contract that have not been accepted by the City in writing are deemed rejected. The City, in its sole discretion, may accept some or all of proposer's exceptions, reject proposer's exceptions, and deem the proposal non-responsive, or award the Contract without proposer's proposed exceptions. The City will not consider exceptions addressed elsewhere in the proposal.

2.3 The Contractor Standards Pledge of Compliance Form.

2.4 Equal Opportunity Contracting forms including the Work Force Report and Contractors Certification of Pending Actions.

2.5 Reserved.

2.6 Licenses as required in Exhibit B.

2.7 Reserved.

2.8 Additional Information as required in Exhibit B.

2.9 Reserved.

Tab B - Executive Summary and Responses to Specifications.

2.10 A title page.

2.11 A table of contents.

2.12 An executive summary, limited to one typewritten page, that provides a high-level description of the proposer's ability to meet the requirements of the RFP and the reasons the proposer believes itself to be best qualified to provide the identified services.

2.13 Proposer's response to the RFP.

Tab C - Cost/Price Proposal. Proposers shall submit a cost proposal in the form and format described herein. Failure to provide cost(s) in the form and format requested may result in proposal being declared non-responsive and rejected.

3. Proposal Review. Proposers are responsible for carefully examining the RFP, the Specifications, this Contract, and all documents incorporated into the Contract by reference before submitting a proposal. If selected for award of contract, proposer shall be bound by same unless the City has accepted proposer's exceptions, if any, in writing.

4. Addenda. The City may issue addenda to this RFP as necessary. All addenda are incorporated into the Contract. The proposer is responsible for determining whether addenda were issued prior to a proposal submission. Failure to respond to or properly address addenda may result in rejection of a proposal.

5. Quantities. The estimated quantities provided by the City are not guaranteed. These quantities are listed for informational purposes only. Quantities vary depending on the demands of the City. Any variations from the estimated quantities shall not entitle the proposer to an adjustment in the unit price or any additional compensation.

6. Quality. Unless otherwise required, all goods furnished shall be new and the best of their kind.

6.1 Items Offered. Proposer shall state the applicable trade name, brand, catalog, manufacturer, and/or product number of the required good, if any, in the proposal.

6.2 Brand Names. Any reference to a specific brand name in a solicitation is illustrative only and describes a component best meeting the specific operational, design, performance, maintenance, quality, or reliability standards and requirements of the City. Proposer may offer an equivalent or equal in response to a brand name referenced (Proposed Equivalent). The City may consider the Proposed Equivalent after it is subjected to testing and evaluation which must be completed prior to the award of contract. If the proposer offers an item of a manufacturer or vendor other than that specified, the proposer must identify the maker, brand, quality, manufacturer number, product number, catalog number, or other trade designation. The City has complete discretion in determining if a Proposed Equivalent will satisfy its requirements. It is the proposer's responsibility to provide, at their expense, any product information, test data, or other information or documents the City requests to properly evaluate or demonstrate the acceptability of the Proposed Equivalent, including independent testing, evaluation at qualified test facilities, or destructive testing.

7. Modifications, Withdrawals, or Mistakes. Proposer is responsible for verifying all prices and extensions before submitting a proposal.

7.1 Modification or Withdrawal of Proposal Before Proposal Opening. Prior to the Closing Date, the proposer or proposer's authorized representative may modify or withdraw the proposal by providing written notice of the proposal modification or withdrawal to the City Contact via the eBidding System. E-mail or telephonic withdrawals or modifications are not permissible.

7.2 Proposal Modification or Withdrawal of Proposal After Proposal Opening. Any proposer who seeks to modify or withdraw a proposal because of the proposer's inadvertent computational error affecting the proposal price shall notify the City Contact identified on the eBidding System no later than three working days following the Closing Date. The proposer shall provide worksheets and such other information as may be required by the City to substantiate the claim of inadvertent error. Failure to do so may bar relief and allow the City recourse from the bid surety. The burden is upon the proposer to prove the inadvertent error. If, as a result of a proposal modification, the proposer is no longer the apparent successful proposer, the City will award to the newly established apparent successful proposer. The City's decision is final.

8. Incurred Expenses. The City is not responsible for any expenses incurred by proposers in participating in this solicitation process.

9. Public Records. By submitting a proposal, the proposer acknowledges that any information submitted in response to this RFP is a public record subject to disclosure unless the City determines that a specific exemption in the California Public Records Act (CPRA) applies. If the proposer submits information clearly marked confidential or proprietary, the City may protect such information and treat it with confidentiality to the extent permitted by law. However, it will be the responsibility of the proposer to provide to the City the specific legal grounds on which the City can rely in withholding information requested under the CPRA should the City choose to withhold such information. General references to sections of the CPRA will not suffice. Rather, the proposer must provide a specific and detailed legal basis, including applicable case law, that clearly establishes the requested information is exempt from the disclosure under the CPRA. If the proposer does not provide a specific and detailed legal basis for requesting the City to withhold proposer's confidential or proprietary information at the time of proposal submittal, City will release the information as required by the CPRA and proposer will hold the City, its elected officials, officers, and employees harmless for release of this information. It will be the proposer's obligation to defend, at proposer's expense, any legal actions or challenges seeking to obtain from the City any information requested under the CPRA withheld by the City at the proposer's request. Furthermore, the proposer shall indemnify and hold harmless the City, its elected officials, officers, and employees from and against any claim or liability, and defend any action brought against the City, resulting from the City's refusal to release information requested under the CPRA which was withheld at proposer's request. Nothing in the Contract resulting from this proposal creates any obligation on the part of the City to notify the proposer or obtain the proposer's approval or consent before releasing information subject to disclosure under the CPRA.

10. Right to Audit. The City Auditor may access proposer's records as described in San Diego Charter section 39.2 to confirm contract compliance.

B. PRICING

1. Fixed Price. All prices shall be firm, fixed, fully burdened, FOB destination, and include any applicable delivery or freight charges, and any other costs required to provide the requirements as specified in this RFP. The lowest total estimated contract price of all the proposals that meet the requirements of this RFP will receive the maximum assigned points to this category as set forth in this RFP. The other price schedules will be scored based on how much higher their total estimated contract prices compare with the lowest:

$$(1 - \frac{(\text{contract price} - \text{lowest price})}{\text{lowest price}}) \times \text{maximum points} = \text{points received}$$

For example, if the lowest total estimated contract price of all proposals is \$100, that proposal would receive the maximum allowable points for the price category. If the total estimated contract price of another proposal is \$105 and the maximum allowable points is 60 points, then that proposal would receive $(1 - ((105 - 100) / 100) \times 60 = 57$ points, or 95% of the maximum points. The lowest score a proposal can receive for this category is zero points (the score cannot be a negative number). The City will perform this calculation for each Proposal.

2. Taxes and Fees. Taxes and applicable local, state, and federal regulatory fees should not be included in the price proposal. Applicable taxes and regulatory fees will be added to the net amount invoiced. The City is liable for state, city, and county sales taxes but is exempt from Federal Excise Tax and will furnish exemption certificates upon request. All or any portion of the City sales tax returned to the City will be considered in the evaluation of proposals.

3. Escalation. An escalation factor is not allowed unless called for in this RFP. If escalation is allowed, proposer must notify the City in writing in the event of a decline in market price(s) below the proposal price. At that time, the City will make an adjustment in the Contract or may elect to re-solicit.

4. Unit Price. Unless the proposer clearly indicates that the price is based on consideration of being awarded the entire lot and that an adjustment to the price was made based on receiving the entire proposal, any difference between the unit price correctly extended and the total price shown for all items shall be offered shall be resolved in favor of the unit price.

C. EVALUATION OF PROPOSALS

1. Award. The City shall evaluate each responsive proposal to determine which proposal offers the City the best value consistent with the evaluation criteria set forth herein. The proposer offering the lowest overall price will not necessarily be awarded a contract.

2. Sustainable Materials. Consistent with Council Policy 100-14, the City encourages use of readily recyclable submittal materials that contain post-consumer recycled content.

3. Evaluation Process.

3.1 Process for Award. A City-designated evaluation committee (Evaluation Committee) will evaluate and score all responsive proposals. The Evaluation Committee may require proposer to provide additional written or oral information to clarify responses. Upon completion of the evaluation process, the Evaluation Committee will recommend to the Purchasing Agent that award be made to the proposer with the highest scoring proposal.

3.2 Reserved.

3.3 Mandatory Interview/Oral Presentation. The City will require proposers to interview and/or make an oral presentation if one or more proposals score within five (5) points or less of the proposal with the highest score. Only the proposer with the highest scoring proposal and those proposers scoring within five (5) points or less of the highest scoring proposal will be asked to interview and/or make an oral presentation. Interviews and/or oral presentations will be made to the Evaluation Committee in order to clarify the proposals and to answer any questions. The interviews and/or oral presentations will be scored as part of the selection process. The City will complete all reference checks prior to any oral interview. Additionally, the Evaluation Committee may require proposer's key personnel to interview. Interviews may be by telephone and/or in person. Multiple interviews may be required. Proposers are required to complete their oral presentation and/or interviews within seven (7) workdays after the City's request. Proposers should be prepared to discuss and substantiate any of the areas of the proposal submitted, as well as proposer's qualifications to furnish the subject goods and services. Proposer is responsible for any costs incurred for the oral presentation and interview of the key personnel.

3.4 Discussions/Negotiations. The City has the right to accept the proposal that serves the best interest of the City, as submitted, without discussion or negotiation. Contractors should, therefore, not rely on having a chance to discuss, negotiate, and adjust their proposals. The City may negotiate the terms of a contract with the winning proposer based on the RFP and the proposer's proposal, or award the contract without further negotiation.

3.5 Inspection. The City reserves the right to inspect the proposer's equipment and facilities to determine if the proposer is capable of fulfilling this Contract. Inspection will include, but not limited to, survey of proposer's physical assets and financial capability. Proposer, by signing the proposal agrees to the City's right of access to physical assets and financial records for the sole purpose of determining proposer's capability to perform the Contract. Should the City conduct this inspection, the City reserves the right to disqualify a proposer who does not, in the City's judgment, exhibit the sufficient physical and financial resources to perform this Contract.

3.6 Evaluation Criteria. The following elements represent the evaluation criteria that will be considered during the evaluation process:

MAXIMUM
EVALUATION
POINTS

A. Responsiveness to the RFP.

10

1. Requested information included and thoroughness of response.
2. Complete and clear responses to the requirements, including the proposers approach.
3. Understanding of local government accounting and the financial audit needs of the City of San Diego.

B. Response to Scope of Services (Excluding Qualifications and Experience).

15

1. Clear understanding of each requirement and deliverable outlined in Exhibit B, Scope of Work.
2. Understands upcoming accounting and auditing standards over the 5-year period (if applicable) and how any change in standards affects the scope of work.
3. Provides details on the firm's General Financial Statement Audit Approach, Assessing Control Risk, Approaches to Analytical Procedures, and Approaches to Sampling as it relates to each component detailed in the scope of work.
4. Understands the law and regulations and designs appropriate audit steps to provide reasonable assurance that the financial statements are free of material misstatements resulting from violations of laws and regulations that have a direct and material effect. Additionally, how laws and regulations have a direct and indirect effect on financial statements.

C. Qualifications and Experience of the Firm.

20

1. Experience and expertise in auditing Exhibit B, Scope of Work of a large city similar in size and scope to San Diego.
2. Experience and expertise in auditing public utility enterprises in local governments.
3. Experience and expertise in helping with accounting and financial reporting related to debt financing and improving disclosures and reporting requirements for tax-exempt bond offerings and other debt financing instruments.
4. If applicable, to ensure compliance with California Assembly Bill 1345 Section 12410.6(b) (AB1345), the firm has a partner and management rotation policy in place.
5. In good standing with licensing governing agencies in California.
6. Key Personnel are available and accessible to the City by email and telephone during Monday – Friday between the hours of 8:00 a.m. and 5:00 p.m., Pacific Time. Engagement partner accessible at any time for urgent or critical matter.
7. Has passed the most recent Quality Control Review (Peer Review).

D. Qualifications and Experience of the Project Team. 20

1. Qualifications of personnel have the appropriate skillset and industry experience for the Exhibit B, Scope of Work.
2. Availability/Geographical location of personnel for required tasks.
3. Clearly defined Roles/Responsibilities of personnel assigned to tasks identified in the scope of work above.
4. Staff has a clear understanding of all appropriate standards used during the course of the audits outlined in the scope of work above.
5. In compliance with government auditing standards, and all professional staff meets continuing professional education requirements.

E. Past Performance as Indicated by References. 15

1. Provided the three (3) references to demonstrate successful performance for work of similar size and scope as specified in this contract during the past five (5) years.
2. No record of substandard audit work or any outstanding claims of substandard performance.

F. Price. 10

G. Interview/Oral Presentation (if held pursuant to Section 3.3 above). 10

1. Thoroughness and Clarity of Presentation and question and answer session.

SUB TOTAL MAXIMUM EVALUATION POINTS: 100

H. Participation by Small Local Business Enterprise (SLBE) or Emerging Local Business Enterprise (ELBE) Firms* 12

FINAL MAXIMUM EVALUATION POINTS INCLUDING SLBE/ELBE: 112

*The City shall apply a maximum of an additional 12 percentage points to the proposer's final score for SLBE OR ELBE participation. Refer to Equal Opportunity Contracting Form, Section V.

D. ANNOUNCEMENT OF AWARD

1. Award of Contract. The City will inform all proposers of its intent to award a Contract in writing.

2. Obtaining Proposal Results. No solicitation results can be obtained until the City announces the proposal or proposals best meeting the City's requirements. Proposal results may be obtained by: (1) e-mailing a request to the City Contact identified on the eBidding System or (2) visiting the P&C eBidding System to review the proposal results. To ensure an accurate response, requests should reference the Solicitation Number. Proposal results will

not be released over the phone.

3. Reserved.

E. PROTESTS. The City's protest procedures are codified in Chapter 2, Article 2, Division 30 of the San Diego Municipal Code (SDMC). These procedures provide unsuccessful proposers with the opportunity to challenge the City's determination on legal and factual grounds. The City will not consider or otherwise act upon an untimely protest.

F. REJECTION OF PROPOSALS. The City may reject any and all bids or proposals when to do so is in the best interests of the City, and may re-advertise for bids or proposals.

G. SUBMITTALS REQUIRED UPON NOTICE OF INTENT TO AWARD. The successful proposer is required to submit the following documents to P&C **within ten (10) business days** from the date on the Notice of Intent to Award letter:

1. Insurance Documents. Evidence of all required insurance, including all required endorsements, as specified in Article VII of the General Contract Terms and Provisions.

2. Taxpayer Identification Number. Internal Revenue Service (IRS) regulations require the City to have the correct name, address, and Taxpayer Identification Number (TIN) or Social Security Number (SSN) on file for businesses or persons who provide goods or services to the City. This information is necessary to complete Form 1099 at the end of each tax year. To comply with IRS regulations, the City requires each Contractor to provide a Form W-9 prior to the award of a Contract.

3. Business Tax Certificate. Unless the City Treasurer determines a business is exempt, all businesses that contract with the City must have a current business tax certificate.

4. Reserved.

5. Reserved.

The City may find the proposer to be non-responsive and award the Contract to the next highest scoring responsible and responsive proposer if the apparent successful proposer fails to timely provide the required information or documents.

EXHIBIT B SCOPE OF WORK

A. BACKGROUND. The City of San Diego (the “City”) is seeking proposals from qualified CPA firms to perform annual audit services. The City was incorporated in 1850 and is comprised of over 325 square miles with a population of approximately 1.4 million and an annual budget of approximately \$5.17 billion as of fiscal year 2024. The City adopted its current charter on April 7, 1931 and operates as a municipality in accordance with State laws. The City, with approximately 13,030 budgeted positions, provides a full range of governmental services which include police and fire protection, sanitation and health services, the construction and maintenance of streets and infrastructure, recreational activities and cultural events, and the maintenance and operation of the water and sewer utilities.

The City is currently operating under a Strong-Mayor form of government. Under the Strong-Mayor form of government, the Mayor is the Chief Executive Officer of the City and has direct oversight over all City functions and services except for the City Council, Personnel, City Clerk, Independent Budget Analyst (IBA), City Attorney, and Office of the City Auditor (OCA) departments. Under this form of government, the Council is composed of nine (9) members and is presided over by the Council President and the Council retains its legislative authority. The City Attorney serves as the chief legal advisor for the City and all departments. In 2008, amendments to the City Charter created an independent Office of the City Auditor, which is supervised by a five (5) member Audit Committee. The Audit Committee consists of two (2) Council Members, one being chair, and three (3) public members. The public Audit Committee members selected must possess the independence, experience and technical expertise necessary to carry out the duties of the Audit Committee. They were required to have expertise that includes but is not limited to knowledge of accounting, auditing and financial reporting.

Per the City Charter section 39.1 and Municipal Code section 26.1701, et seq., the Audit Committee has oversight responsibility regarding the City’s auditing, internal controls and any other financial or business practices. The Audit Committee recommends to the Council the retention of the City’s outside audit firm. The Audit Committee shall monitor the engagement of the City’s outside auditor and resolve all disputes between City management and the outside auditor with regard to the presentation of the City’s annual financial reports. All such disputes shall be reported to the Council. The Council may specify additional responsibilities and duties of the Audit Committee by ordinance as necessary to carry into effect the provisions of the City Charter.

Department of Finance is responsible for financial reporting, including the City’s Annual Comprehensive Financial Report (ACFR). Additionally, the Department of Finance

- Oversees approximately 135 staff and three division;
- Oversees the implementation of additional internal controls over financial reporting and associated policies and procedures, and the implementation of internal controls as part of the City’s ERP (SAP); and

- Oversees the City's General Ledger and all cash disbursements, including some of its component units.

Department of Finance is a member of the financial leadership team under the direction of the City's Chief Financial Officer, is involved in a wide range of fiscal matters, and advocates for financial integrity and accountability in all business practices in City departments and other agencies under the direction of the Mayor and the City Council.

1. Included within the City as a reporting entity are the following blended component units:

- Civic San Diego,
- Convention Center Expansion Financing Authority,
- Public Facilities Financing Authority,
- San Diego Facilities and Equipment Leasing Corporation,
- San Diego Industrial Development Authority,
- San Diego Convention Center Corporation,
- Tobacco Settlement Revenue Funding Corporation, and
- Enhanced Infrastructure Financing District Public Financing Authority

A brief description of each blended component unit follows:

1.1 Civic San Diego (CSD) is a not-for-profit public benefit corporation established upon dissolution of the former San Diego Redevelopment Agency (RDA). One of CSD's primary functions is providing administrative and advisory services to the City as the Successor Agency. CSD also assists the City with downtown parking management administration and affordable housing development. CSD is governed by a nine-member board appointed by the Mayor and City Council. CSD's budget and governing board are approved by the City of San Diego and services primarily benefit the City. CSD is reported as a governmental fund. Financial statements are available at www.civicsd.com.

1.2 The Convention Center Expansion Financing Authority (CCEFA) was established in 1996 by the City and the Port of San Diego to acquire and construct the expansion of the existing convention center. The CCEFA is governed by a board consisting of the Mayor, the City Manager, the President/CEO of the Port of San Diego and a member of the Board of Commissioners for the Port of San Diego. The current working title of the City Manager is the Chief Operating Officer who has been confirmed in this position by the City Council. The CCEFA provides services which primarily benefit the City. CCEFA is reported as a governmental fund.

1.3 The Public Facilities Financing Authority (PFFA) was established in 1991 by the City and the former RDA to acquire and construct public capital improvements. As of June 30, 2017, the members are the City, the Successor Agency, and the Housing Authority of the City of San Diego. PFFA is governed by a board of commissioners comprised of the members of the City Council. PFFA provides services exclusively to the City. Financing for governmental funds is reported as a governmental activity and

financing for enterprise funds is reported as a business-type activity.

1.4 The San Diego Facilities and Equipment Leasing Corporation (SDFELC) is a not-for-profit public benefit corporation established in 1987 for the purpose of acquiring and leasing to the City real and personal property to be used in the municipal operations of the City. The SDFELC is governed by a three (3) member board consisting of the City Attorney, the Chief Financial Officer and the Mayor (as City Manager) and services are provided exclusively to the City. Financing for governmental funds is reported as a governmental activity and financing for enterprise funds is reported as a business-type activity. There is no current financial activity for SDFELC, but it remains an active component unit of the City.

1.5 The San Diego Industrial Development Authority (SDIDA) was established in 1983 by the City for the purpose of providing an alternate method of financing to participating parties for economic development purposes. The City Council is the governing board, and the City has operational responsibility. SDIDA is reported as a governmental fund. There is no current financial activity for SDIDA, but it remains an active component unit of the City.

1.6 San Diego Convention Center Corporation (SDCCC) is a not-for-profit public benefit corporation, originally organized to market, operate, and maintain the San Diego Convention Center. The City is the sole member of SDCCC and acts through the San Diego City Council in accordance with the City Charter and the City's Municipal Code. The City appoints all seven voting members to the Board of Directors of SDCCC. In accordance with the management agreement with SDCCC, the City allocates to SDCCC approved budgetary amounts for marketing, promotion, and capital projects for the Convention Center. SDCCC is reported as an enterprise fund. Complete stand-alone financial statements are available at www.visitsandiego.com.

1.7 The Tobacco Settlement Revenue Funding Corporation (TSRFC) is a not-for-profit public benefit corporation established in 2006 for the purpose of acquiring the tobacco settlement revenues allocated to the City from the State of California, pursuant to the Master Settlement Agreement. TSRFC purchased from the City the rights to receive future tobacco settlement revenues due to the City. TSRFC is governed by the Board of Directors, which consists of the Chief Operating Officer, the Chief Financial Officer, and one independent director. The independent director shall be appointed by the Mayor or the remaining directors. TSRFC is reported as a governmental fund.

1.8 The Enhanced Infrastructure Financing District Public Financing Authority (EIFDPFA) was established in 2017 by the City to finance certain Otay Mesa public infrastructure and community benefit projects authorized under the Enhanced Infrastructure Financing District (EIFD) Law Government Code sections 53398.50 through 53398.88. The Otay Mesa EIFD governing board consists of three members of the City Council and two members of the public, all of whom are appointed by the City Council. Services provided primarily benefit the Otay Mesa area of the City. Financing is reported as a governmental activity.

2. The City also reports fiduciary component units which are not included in the government-wide financial statements. Fiduciary component units include the San Diego City Employees' Retirement System (SDCERS) and the Successor Agency of the Redevelopment Agency of the City of San Diego (Successor Agency).

2.1 San Diego City Employees' Retirement System (SDCERS) was established in 1927 by the City and administers retirement, post-employment healthcare, disability, and death benefits. Currently, SDCERS also administers the San Diego Unified Port District (Port) and the San Diego County Regional Airport Authority (Airport) defined benefit plans. SDCERS is a legally separate, blended fiduciary component unit of the City of San Diego. It is managed by a Board of Administration, the majority of which is appointed by the City of San Diego, and a Pension Administrator who does not report to, or work under the direction of the elected officials or appointed managers of the City of San Diego. As such, the City does not maintain direct operational oversight of SDCERS or its financial reports. SDCERS provides services almost exclusively to the primary government. SDCERS is reported as a pension trust fund. Complete stand-alone financial statements are available at www.sdcers.org.

2.2 The Successor Agency of the Former Redevelopment Agency of the City of San Diego (Successor Agency) was established to hold the former redevelopment agency's assets until they are distributed to other units of state and local government or, where appropriate, to private parties. Pursuant to ABX1 26, redevelopment agencies in the State of California generally cannot enter into new projects, obligations or commitments. On January 12, 2012, the City was designated to serve as the Successor Agency subject to control of an oversight board. The Successor Agency is reported as a private-purpose trust fund in the fiduciary funds financial statements.

3. Discretely presented component units, which are also legally separate entities, have financial data reported in a separate column from the financial data of the primary government to demonstrate they are financially and legally separate from the primary government.

There is one discretely presented component unit:

3.1 San Diego Housing Commission (SDHC) is a governmental agency, which was formed by the City under Ordinance No. 2515 on December 5, 1978 in accordance with the Housing Authority Law of the State of California. SDHC's priority is to serve low- and moderate-income persons by providing rental assistance payments, rental housing, loans and grants to families, individuals and not-for-profit organizations to create and preserve affordable housing. SDHC is governed by the San Diego Housing Authority, which is composed of the nine members of the San Diego City Council. The Housing Authority is assisted by a Board of Commissioners, a seven-member advisory body appointed by the Mayor and confirmed by the City Council. The Housing Authority has final authority over the SDHC's budget and major policy changes. SDHC is discretely presented because the City appoints the voting members of the SDHC Board, is financially accountable for SDHC, and SDHC provides its services directly to the citizens.

SDHC has seven blended component units and thirteen discretely presented component units which are included in the City's basic financial statements. The thirteen discretely presented component units are financially and legally separate entities from SDHC.

Each blended and discretely presented component unit of the City has a June 30 fiscal year-end, with the exception of SDHC's discretely presented component units, which have a December 31 fiscal year-end.

4. The following is the City's major governmental fund:

4.1 General Fund -The General Fund is the principal operating fund of the City. It is used to account for all financial resources, except those required to be accounted for in another fund.

5. The following are the City's major Enterprise Funds:

5.1 Sewer Utility Fund -The sewer utility fund is used to account for the operation, maintenance and development of the City's sewer system. The City's sewer utility fund includes activities related to the performance of services for Participating Agencies.

5.2 Water Utility Fund -The water utility fund is used to account for operating and maintenance costs, replacements, betterments, expansion of facilities, and payments necessary in obtaining water from the Colorado River and the State Water Project.

6. The following are the City's other fund types:

6.1 Internal Service Funds -These funds account for fleet vehicle and transportation, printing, and storeroom services provided to City departments on a cost-reimbursement basis. Internal service funds also account for energy conservation, self-insurance activities, including workers' compensation and long-term disability programs, which derive revenues from rates charged to benefiting departments.

6.2 Private-Purpose Trust Fund - This fund was established to account for the ongoing obligations of the Successor Agency (former RDA).

6.3 Pension and Employee Savings Trust Funds -These funds account for the San Diego City Employees' Retirement System, the Preservation of Benefits Plan, the Post-Employment Healthcare Benefit Plan the Supplemental Pension Savings Plan (SPSP), the 401(a) Plan and the 401(k) Plan.

6.4 Agency Funds -These funds account for assets held by the City as an agent for individuals, private organizations, and other governments, including federal and state income taxes withheld from employees, parking citation revenues, and certain employee benefit plans.

7. The City's most recent Adopted Budget, Annual Comprehensive Financial Report, and Single Audit may be obtained on the City's website at: <https://www.sandiego.gov/finance/financialrpts>

B. SCOPE OF WORK. The City of San Diego is seeking proposals from qualified CPA firms to perform the following annual audit services:

1. An annual audit of the financial statements included in the City's Annual Comprehensive Financial Report (ACFR);
2. An annual organization-wide financial and compliance audit conducted under Office of Management and Budget (OMB), Compliance Supplement Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Super Circular).
3. Management Letter.
4. Opinions Issued.
5. Additional work as described in Exhibit B, section D of this RFP.
6. An annual audit of the financial statements of the Otay Mesa Enhanced Infrastructure Financing District (Otay EIFD) to be presented to the Otay EIFD Public Financing Authority (Authority) See Exhibit B, section D, Item 7 below for details.
7. Agreed-Upon Procedures Related to the Central Stores Physical Inventory at fiscal year end.

The City intends to award a contract for the aforementioned services with the selected auditor for the five (5) fiscal years noted below.

- July 1, 2023 through June 30, 2024 (Fiscal Year 2024)
- July 1, 2024 through June 30, 2025 (Fiscal Year 2025)
- July 1, 2025 through June 30, 2026 (Fiscal Year 2026)
- July 1, 2026 through June 30, 2027 (Fiscal Year 2027)
- July 1, 2027 through June 30, 2028 (Fiscal Year 2028)

Refer to Exhibit B, section D of this RFP for Core Requirements.

C. OBJECTIVE. The objective of this RFP is to make an award to a qualified Proposer that shall conduct and complete annual audits of the financial statements included in the City's Annual Comprehensive Financial Report (ACFR), and annual organization-wide financial and compliance audits conducted under the OMB Compliance Supplement and Title 2 CFR Part 200 additional requirements and deliverables as described in Exhibit B, section D of this RFP which offers best overall value to the City, while meeting or exceeding the specifications and requirements of this RFP. The audits shall be conducted in accordance

with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. The audits objectives include auditing the City's financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining funds for each June 30 fiscal year end within the terms of this agreement.

D. CORE REQUIREMENTS AND DELIVERABLES.

Proposer shall be responsible for all the following specific objectives:

1. Annual Audit. An annual audit of the financial statements included in the City's Annual Comprehensive Financial Report (ACFR) shall be conducted in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. The auditor shall conduct the audit of relevant financial statements and schedules in conformity with Generally Accepted Accounting Principles (GAAP) in the United States enabling the City to meet the requirements of the Government Finance Officers Association (GFOA) Certificate of Achievement of Excellence in Financial Reporting, and sufficient to enable the certified public accounting firm to express an informed written opinion on all applicable reporting units included in the basic financial statements, including:

1.1. The fair presentation of the financial position and changes in financial position of the governmental activities;

1.2. Business-type activities;

1.3. The discretely presented component unit(s);

1.4. Each individual major fund; and

1.5. The aggregate remaining other fund information;

2. Single Audit. An annual organization-wide financial and compliance audit shall be conducted under the OMB Compliance Supplement and the Super Circular. Audits shall meet required standards as revised by Generally Accepted Audit Standards (GAAS) guidelines and Generally Accepted Governmental Auditing Standards (GAGAS), as issued by the Comptroller General of the United States. It shall include tests of accounting records, a determination of major program(s) in accordance with the Super Circular, and other procedures considered necessary to:

2.1. Express an opinion on the City's compliance requirements of the laws, regulations, contracts and grants applicable to each of its major federal programs;

2.2. Provide an accompanying schedule of findings, recommendations and questioned costs, if any;

2.3. Express an opinion, in consideration of the City's internal control over compliance regarding the existence of any control deficiencies or any material weaknesses in internal control as they relate to expressing an opinion on compliance but not for the purpose of expressing an opinion on the effectiveness of the City's internal controls over compliance; and

2.4. Express an opinion as to whether the schedule of federal awards and any required supplementary schedules are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

3. **Management Letter.** Proposer will issue a management letter to the extent considered appropriate. The Outside Auditor may recommend improvement in any areas brought to its attention during the course of the audit.

4. **Opinions Issued.** Proposer shall issue an audit opinion for each of the following annual reports:

4.1. The City of San Diego ACFR, which includes the basic financial statements, Management's Discussion and Analysis, other Required Supplementary Information, combining and Individual Fund Statements, and statistical data for each fiscal year. Proposer shall issue an opinion as to whether the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit(s), each major fund, and the aggregate remaining fund information of the City, for the fiscal year audited, and the respective changes in financial position and, where applicable, cash flows in accordance with generally accepted accounting principles in the United States of America. Further, in accordance with Government Auditing Standards, Proposer shall also issue a report regarding the City's internal control over financial reporting and tests of compliance with applicable provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of this report shall be to describe the scope of the testing of internal control over reporting and compliance with the results of testing, and not to provide an opinion on the internal control over financial reporting or on compliance.

4.2. The City of San Diego Sewerage Utility allocation for billing Metropolitan System of the City of San Diego Sewer Utility to ensure that costs have been properly allocated to the participating agencies.

4.3. The City of San Diego Appropriation Limit Worksheet (GANN Limit) to ensure that the City's appropriation limit has been properly calculated.

5. **Consent of Use.** The City will periodically prepare a preliminary official statement and a final official statement for City bond offerings. When requested by the City, Proposer shall provide a consent letter allowing for the inclusion of their audit opinion related to a particular City Annual Comprehensive Financial Report in both the preliminary official statement and the final official statement for various City bond offerings. This service shall be provided whenever requested for the ACFRs released for the fiscal years ending June 30, 2024 through June 30, 2028.

6. The entities listed below are included as component units within the City's ACFR; however, these entities will individually contract for their outside auditor work:

- San Diego Housing Commission;
- Civic San Diego;
- San Diego Convention Center Corporation; and
- San Diego City Employees Retirement System.

7. Otay Mesa EIFD Deliverables.

7.1 Financial Audit. A financial audit (Audit(s)) shall be conducted pursuant to the requirements set forth in California Government Code section 53398.66(j)(1). Audits shall meet required standards as revised by Generally Accepted Audit Standards (GAAS) guidelines and Generally Accepted Governmental Auditing Standards (GAGAS), as issued by the Comptroller General of the United States, and shall include the following tasks, as applicable:

7.1.1 Express an opinion on the Authority's compliance requirements of the laws, regulations, Agreements and grants applicable to the Otay EIFD;

7.1.2 Provide an accompanying schedule of findings, recommendations and questioned costs, if any.

7.2 Management Letter. Proposer will issue a management letter to the extent considered appropriate. Proposer may recommend improvement in any areas brought to its attention during the course of the Audits.

7.2.1 Opinions Issued. Proposer shall issue an audit opinion for the Authority (Audit Opinion), including its basic financial statements and other Required Supplementary Information, combining and Individual Fund Statements, and statistical data for each fiscal year. Proposer shall issue an opinion as to whether the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit(s), each major fund, and the aggregate remaining fund information of the Authority, for the fiscal year audited, and the respective changes in financial position and, where applicable, cash flows in accordance with generally accepted accounting principles in the United States of America. Further, in accordance with GAGAS, Proposer shall also issue a report regarding the Authority's internal control over financial reporting and tests of compliance with applicable provisions of laws, regulations, Agreements and grant agreements and other matters. The purpose of this report shall be to describe the scope of the testing of internal control over reporting and compliance with the results of testing, and not to provide an opinion on the internal control over financial reporting or on compliance.

7.2.2 Presentation: Proposer will meet the management upon

request to review the Audit Opinion and findings. Following management review, Proposer will present a summary of the Audit Opinion and findings annually to the Authority at a Public Hearing of the Authority.

8. Agreed Upon Procedures. This engagement is solely for the purpose of assisting the Office of the City Auditor to comply with the San Diego Municipal Code requirement Article 2, Division 5, Section 22.0501. During the course of, but prior to the end of each fiscal year, the Auditor shall cause an inventory to be taken of all items in the storerooms and warehouses of the City which are then under the supervision of the Purchasing Agent and shall compare such inventory with the stock record to be kept by the Purchasing Agent. The Purchasing and Contracting Department is responsible for the City's Central Store inventory records.

Proposer will enter into an agreed-upon procedures agreement with the Office of the City Auditor that details the scope of work as agreed between OCA, Purchasing and Contracting, and Proposer. The results are presented to the Office of the City Auditor, and the report will be docketed for a future Audit Committee meeting after report issuance. Proposer will need to attend the Audit Committee meeting.

E. AUDIT COMPLETION REQUIREMENTS.

1. The fieldwork specified in Exhibit B, section D, item 1 and the issuance of the related written auditor's opinion shall begin upon receipt by the selected Proposer of an approved Purchase Order and shall be completed by Proposer within two (2) months from the date the Comptroller provides a full draft ACFR for review for each fiscal year audited.

2. The fieldwork specified in Exhibit B, section D, item 2 and the issuance of the related written auditor's opinion shall be completed two (2) weeks prior to the deadline established under OMB Compliance Supplement and the SuperCircular.

3. The fieldwork specified in Exhibit B, section D, item 4.2 shall be completed within five (5) months after the issuance of the ACFR opinion, or at a time mutually agreed upon between the City and Proposer in writing.

4. The Proposer shall attend Audit Committee meetings (estimated at 12 per year) and City Council meetings (estimated at 2 per year) when requested to provide oral presentations regarding the progress and results of the audits, at no additional cost to the City.

F. QUALIFICATIONS AND EXPERIENCE OF THE FIRM AND PROJECT TEAM. To enable the City to evaluate the responsibility, experience, skill, qualifications, and business standing of the Proposer, the following information must be included with the technical proposal:

1. Proposer shall provide a company/corporate organizational chart and staffing profile.

2. Proposer shall provide names, contact information, resumes, and years of tenure for key personnel including but not limited to the account representative(s) who will be assigned and dedicated to the City's account. Additionally, describe the strengths of key personnel to the City's requirements. Indicate role and responsibilities of proposer and all subcontractors, if applicable. All assigned staff are knowledgeable and compliant with government auditing standards, including but all limited to, the audit process and continuing professional education.

3. Proposer shall provide account representative(s) who have a minimum of three (3) years prior experience in accounts of similar type, size, and scope to the requirements and deliverables of this RFP. Individuals with demonstrated experience conducting government financial audits and providing written reports and presentations with recommendations to improve an organization's operations are highly desirable. Proposer shall clearly define what responsibilities the assigned account representative(s) will be charged with relative to this project.

4. Proposer shall not change the dedicated account representative(s) without the prior written approval of the City.

5. The City's dedicated account representative(s) shall be accessible, at the minimum, by e-mail and telephone numbers or a toll-free number, Monday through Friday between the hours of 8:00 a.m. and 5:00 p.m., Pacific Time excluding City holidays.

6. Firms with demonstrated experience conducting government financial audits and providing written reports and presentations with recommendations to improve an organization's operations are highly desirable with municipalities of similar size and public utilities.

7. Professional staff shall have the appropriate education and auditing experience necessary to conduct audits relative to the scope of work of this RFP, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

8. The Proposer must be properly licensed for public practice as a certified public accountant in the state of California and the firm and any employee proposed to be assigned to this audit must not have a record of substandard work or unsatisfactory performance pending with the State Board of Accountancy.

9. The Proposer must have undergone an external peer review in accordance with AICPA guidelines and Government Auditing Standards, July 2018 Revision and applicable updates, in the last three (3) years and received an opinion that the firm complied with the applicable standards for audits and attestation engagements. The most recent external peer review report must be included with the submittal.

10. The Proposer must rotate the managing partner on the engagement, if they are the incumbent auditor in order to be compliant with California Assembly Bill 1345 Section 12410.6(b) (AB1345).

11. The Proposer must provide at least three (3) references to demonstrate successful performance for work of similar size and scope as specified in this contract (See Contractor Standards Pledge of Compliance, Section F, item number 7, "Performance References") within the last five (5) years.

G. PROPOSERS IMPLEMENTATION PLAN. Proposers shall provide a contract implementation plan with a proposed audit program and the technical approach that the firm intends to use to complete the audit as described in Exhibit B, section D, items 1 through 8 of the Core Requirements and Deliverables. The proposed audit program must include the number of staff, number of hours and the expected timeline to complete the Core Requirements and Deliverables in Exhibit B, section D, items 1 through 8.

H. AS-NEEDED AUDITING SERVICES.

1. Provide, if available and at the discretion of the City, additional auditing services related to the scope of work and in accordance with this RFP.

1.1 As-Needed auditing services may be required on an as- needed basis throughout the term of the contract, such as any additional related entity audits, as required, which would be included as part of the comprehensive Annual Audit (fees to be negotiated in accordance with the provision of this agreement). The City and the Proposer(s) shall mutually agree on as-needed auditing services.

2. Proposers shall provide, as an attachment to the Price Schedule and in accordance with Exhibit B, section D, their pricing for additional auditing services within the scope of work as outlined in this RFP and as detailed in proposer's response. The attachment shall include hourly rates by position and the rates shall be valid for the duration of the contract. Fees for any additional work upon the Contract Administrator's request will be negotiated and agreed to at the time prior to commencement of any audit work. Include a complete hourly labor rate for all Contractor staff or subcontractor(s) staff identified and listed. Auditable hourly rates for each listed position, Contractor or subcontractor(s) are to be fully burdened to include all costs and profit.

3. Proposer response to As-Needed Auditing Services shall not be considered in the evaluation for award.

I. REFERENCES.

1. Proposers shall provide three (3) references to demonstrate successful performance for work of similar size and scope as specified in this contract during the past five (5) years. References shall be provided in the Contractor Standards Pledge of Compliance form.

2. Proposers shall also demonstrate that they are properly equipped to perform the work as specified in this contract. Previous experience in furnishing the services as specified in this RFP will be an important consideration.

3. The City shall rely on references as part of the evaluation process. The City reserves the right to take any or all the following actions: to reject a proposal based on an unsatisfactory reference, to contact any person or persons associated with the reference, to request additional references, to contact organizations known to have used in the past or currently using the services supplied by the proposer, and to contact independent consulting firms for additional information about the proposer.

J. TECHNICAL REPRESENTATIVE. The Technical Representative for this Contract is identified in the notice of award and is responsible for overseeing and monitoring this Contract.

K. POST AWARD KICK-OFF MEETING.

1. Proposer receiving award under this solicitation may be required to attend a post award kick-off meeting within ten (10) calendar days after award of contract to be scheduled by the Contract Administrator or designee.

1.1. The Technical Representative or designee shall communicate the date, time, location, and agenda for this meeting to proposer.

L. PRICING.

1. Proposers shall submit their proposal for pricing on the following City's Price Schedule pages. Using the enclosed Price Schedule pages will help ensure consistency in the price evaluation. The Price Schedule pages are to be completed in full and shall be incorporated herein. Only the City's Price Schedule pages will be accepted with the exception of pricing for optional auditing services. Any deviations from the Price Schedule pages may be considered non-responsive and unacceptable.

2. Fixed price shall be inclusive of all fees and costs of operations, including but not limited to office rent, telephone, facsimile, postage, photocopying, support services and overtime, travel and any other expenses incurred in the course of representing the City, including Subcontractors. No other charges will be considered.

3. Evaluation of award will be based on fixed prices, all costs inclusive, as proposed in the Price Schedule, for the core requirements and deliverables as specified in Exhibit B, section D of this RFP. No other charges will be considered. Payment is to be made in arrears for services rendered. Progress payments may be proposed, however, may be subject to negotiation. Additionally, the City may withhold approximately ten percent (10%) percent of the total contract price until all services provided by the Proposer have been determined to be acceptable to the City.

4. Proposers shall provide attachment worksheets providing itemized pricing per

task listed in Exhibit B, section D, which includes a breakdown of labor hours and other rationale used in determining proposer's pricing for the specified core requirements and deliverables. However, price evaluation will be based on prices entered on the City Price Schedule pages only. Blanks on the price proposal pages will be interpreted as zero (0) and no price will be allowed.

5. Any variations in the labor hours necessary to complete the work during the Contract period shall not entitle the proposer to any adjustment in compensation.

6. Proposers shall provide, as an attachment to the Price Schedule and in accordance with Exhibit B, section D, their pricing for additional As-Needed Auditing Services within the scope of work as outlined in this RFP and as detailed in proposer's response. The attachment shall include hourly rates by position and the rates shall be valid for the duration of the contract.

7. Proposers' response to As-Needed Auditing Services shall not be considered in the evaluation for award.

REMAINDER OF PAGE LEFT BLANK

M. PRICE SCHEDULE.

Contractor shall submit pricing on the Price Schedule form provided herein, completed in its entirety, to be considered responsive to this RFP. Any deviations from the Price Schedule may be considered non-responsive and unacceptable.

1. Fixed Pricing for Core Requirements and Deliverables as Specified in Exhibit B, Section D, Items 1-4 and 7-8.

Item No.	Description	Fixed Price FY 2024 (lump sum total)	Fixed Price FY 2025 (lump sum total)	Fixed Price FY 2026 (lump sum total)	Fixed Price FY 2027 (lump sum total)	Fixed Price FY 2028 (lump sum total)	Fixed Price Grand Total
1.1.	Professional Audit Services (as specified in Exhibit B, section D.1.)	\$	\$	\$	\$	\$	\$
1.2.	Professional Audit Services (as specified in Exhibit B, section D.2.)	\$	\$	\$	\$	\$	\$
1.3	Professional Audit Services (as specified in Exhibit B, section D.3.)	\$	\$	\$	\$	\$	\$
1.4.	Professional Audit Services (as specified in Exhibit B, section D.4.1.)	\$	\$	\$	\$	\$	\$
1.5.	Professional Audit Services (as specified in Exhibit B, section D.4.2)	\$	\$	\$	\$	\$	\$
1.6	Professional Audit Services (as specified in Exhibit B, section D.4.3	\$	\$	\$	\$	\$	\$
1.7	Professional Audit Services (as specified in Exhibit B, section D.7	\$	\$	\$	\$	\$	\$
1.8	Professional Audit Services (as specified in Exhibit B, section D.8	\$	\$	\$	\$	\$	\$
TOTAL M.1:		\$	\$	\$	\$	\$	\$

2. Fixed Pricing for Core Requirements and Deliverables as Specified in Exhibit B, Section D, Item 5.

Description	Fixed Price FY 2024 (per bond offering)	Fixed Price FY 2025 (per bond offering)	Fixed Price FY 2026 (per bond offering)	Fixed Price FY 2027 (per bond offering)	Fixed Price FY 2028 (per bond offering)	Fixed Price Grand Total
Professional Audit Services (as specified in Exhibit B, section D.5.), for the provision of consent letters allowing for the inclusion of Proposer’s audit opinion related to a particular City ACFR in both the preliminary official statement and the final official statement for a City bond offering.	\$	\$	\$	\$	\$	\$

Grand Total (M.1 and M.2): \$ _____

EXHIBIT C



THE CITY OF SAN DIEGO
GENERAL CONTRACT TERMS AND PROVISIONS
APPLICABLE TO GOODS, SERVICES, AND CONSULTANT CONTRACTS

ARTICLE I SCOPE AND TERM OF CONTRACT

1.1 Scope of Contract. The scope of contract between the City and a provider of goods and/or services (Contractor) is described in the Contract Documents. The Contract Documents are comprised of the Request for Proposal, Invitation to Bid, or other solicitation document (Solicitation); the successful bid or proposal; the letter awarding the contract to Contractor; the City's written acceptance of exceptions or clarifications to the Solicitation, if any; and these General Contract Terms and Provisions.

1.2 Effective Date. A contract between the City and Contractor (Contract) is effective on the last date that the contract is signed by the parties and approved by the City Attorney in accordance with Charter section 40. Unless otherwise terminated, this Contract is effective until it is completed or as otherwise agreed upon in writing by the parties, whichever is the earliest. A Contract term cannot exceed five (5) years unless approved by the City Council by ordinance.

1.3 Contract Extension. The City may, in its sole discretion, unilaterally exercise an option to extend the Contract as described in the Contract Documents. In addition, the City may, in its sole discretion, unilaterally extend the Contract on a month-to-month basis following contract expiration if authorized under Charter section 99 and the Contract Documents. Contractor shall not increase its pricing in excess of the percentage increase described in the Contract.

ARTICLE II CONTRACT ADMINISTRATOR

2.1 Contract Administrator. The Purchasing Agent or designee is the Contract Administrator for purposes of this Contract, and has the responsibilities described in this Contract, in the San Diego Charter, and in Chapter 2, Article 2, Divisions 5, 30, and 32.

2.1.1 Contractor Performance Evaluations. The Contract Administrator will evaluate Contractor's performance as often as the Contract Administrator deems necessary throughout the term of the contract. This evaluation will be based on criteria including the quality of goods or services, the timeliness of performance, and adherence to applicable laws, including prevailing wage and living wage. City will provide Contractors who receive an unsatisfactory rating with a copy of the evaluation and an opportunity to respond. City may consider final evaluations, including Contractor's response, in evaluating future proposals and bids for contract award.

2.2 Notices. Unless otherwise specified, in all cases where written notice is required under this Contract, service shall be deemed sufficient if the notice is personally delivered or deposited in the United States mail, with first class postage paid, attention to the Purchasing Agent. Proper notice is effective on the date of personal delivery or five (5) days after deposit in a United States postal mailbox unless provided otherwise in the Contract. Notices to the City shall be sent to:

Purchasing Agent
City of San Diego, Purchasing and Contracting Division
1200 3rd Avenue, Suite 200
San Diego, CA 92101-4195

ARTICLE III COMPENSATION

3.1 Manner of Payment. Contractor will be paid monthly, in arrears, for goods and/or services provided in accordance with the terms and provisions specified in the Contract.

3.2 Invoices.

3.2.1 Invoice Detail. Contractor's invoice must be on Contractor's stationary with Contractor's name, address, and remittance address if different. Contractor's invoice must have a date, an invoice number, a purchase order number, a description of the goods or services provided, and an amount due.

3.2.2 Service Contracts. Contractor must submit invoices for services to City by the 10th of the month following the month in which Contractor provided services. Invoices must include the address of the location where services were performed and the dates in which services were provided.

3.2.3 Goods Contracts. Contractor must submit invoices for goods to City within seven days of the shipment. Invoices must describe the goods provided.

3.2.4 Parts Contracts. Contractor must submit invoices for parts to City within seven calendar (7) days of the date the parts are shipped. Invoices must include the manufacturer of the part, manufacturer's published list price, percentage discount applied in accordance with Pricing Page(s), the net price to City, and an item description, quantity, and extension.

3.2.5 Extraordinary Work. City will not pay Contractor for extraordinary work unless Contractor receives prior written authorization from the Contract Administrator. Failure to do so will result in payment being withheld for services. If approved, Contractor will include an invoice that describes the work performed and the location where the work was performed, and a copy of the Contract Administrator's written authorization.

3.2.6 Reporting Requirements. Contractor must submit the following reports using the City's web-based contract compliance portal. Incomplete and/or delinquent reports may cause payment delays, non-payment of invoice, or both. For questions, please view the City's online tutorials on how to utilize the City's web-based contract compliance portal.

3.2.6.1 Monthly Employment Utilization Reports. Contractor and Contractor's subcontractors and suppliers must submit Monthly Employment Utilization Reports by the fifth (5th) day of the subsequent month.

3.2.6.2 Monthly Invoicing and Payments. Contractor and Contractor's subcontractors and suppliers must submit Monthly Invoicing and Payment Reports by the fifth (5th) day of the subsequent month.

3.3 Annual Appropriation of Funds. Contractor acknowledges that the Contract term may extend over multiple City fiscal years, and that work and compensation under this Contract is contingent on the City Council appropriating funding for and authorizing such work and compensation for those fiscal years. This Contract may be terminated at the end of the fiscal year for which sufficient funding is not appropriated and authorized. City is not obligated to pay Contractor for any amounts not duly appropriated and authorized by City Council.

3.4 Price Adjustments. Based on Contractor's written request and justification, the City may approve an increase in unit prices on Contractor's pricing pages consistent with the amount requested in the justification in an amount not to exceed the increase in the Consumer Price Index, San Diego Area, for All Urban Customers (CPI-U) as published by the Bureau of Labor Statistics, or 5.0%, whichever is less, during the preceding one year term. If the CPI-U is a negative number, then the unit prices shall not be adjusted for that option year (the unit prices will not be decreased). A negative CPI-U shall be counted against any subsequent increases in the CPI-U when calculating the unit prices for later option years. Contractor must provide such written request and justification no less than sixty days before the date in which City may exercise the option to renew the contract, or sixty days before the anniversary date of the Contract. Justification in support of the written request must include a description of the basis for the adjustment, the proposed effective date and reasons for said date, and the amount of the adjustment requested with documentation to support the requested change (e.g. CPI-U or 5.0%, whichever is less). City's approval of this request must be in writing.

ARTICLE IV SUSPENSION AND TERMINATION

4.1 City's Right to Suspend for Convenience. City may suspend all or any portion of Contractor's performance under this Contract at its sole option and for its convenience for a reasonable period of time not to exceed six (6) months. City must first give ten (10) days' written notice to Contractor of such suspension. City will pay to Contractor a sum equivalent to the reasonable value of the goods and/or services satisfactorily provided up to the date of suspension. City may rescind the suspension prior to or at six (6) months by providing Contractor with written notice of the rescission, at which time Contractor would be required to resume performance in compliance with the terms and provisions of this Contract. Contractor will be entitled to an extension of time to complete performance under the Contract equal to the length of the suspension unless otherwise agreed to in writing by the Parties.

4.2 City's Right to Terminate for Convenience. City may, at its sole option and for its convenience, terminate all or any portion of this Contract by giving thirty (30) days' written notice of such termination to Contractor. The termination of the Contract shall be effective upon receipt of the notice by Contractor. After termination of all or any portion of the Contract, Contractor shall: (1) immediately discontinue all affected performance (unless the notice directs otherwise); and (2) complete any and all additional work necessary for the orderly filing of

documents and closing of Contractor's affected performance under the Contract. After filing of documents and completion of performance, Contractor shall deliver to City all data, drawings, specifications, reports, estimates, summaries, and such other information and materials created or received by Contractor in performing this Contract, whether completed or in process. By accepting payment for completion, filing, and delivering documents as called for in this section, Contractor discharges City of all of City's payment obligations and liabilities under this Contract with regard to the affected performance.

4.3 City's Right to Terminate for Default. Contractor's failure to satisfactorily perform any obligation required by this Contract constitutes a default. Examples of default include a determination by City that Contractor has: (1) failed to deliver goods and/or perform the services of the required quality or within the time specified; (2) failed to perform any of the obligations of this Contract; and (3) failed to make sufficient progress in performance which may jeopardize full performance.

4.3.1 If Contractor fails to satisfactorily cure a default within ten (10) calendar days of receiving written notice from City specifying the nature of the default, City may immediately cancel and/or terminate this Contract, and terminate each and every right of Contractor, and any person claiming any rights by or through Contractor under this Contract.

4.3.2 If City terminates this Contract, in whole or in part, City may procure, upon such terms and in such manner as the Purchasing Agent may deem appropriate, equivalent goods or services and Contractor shall be liable to City for any excess costs. Contractor shall also continue performance to the extent not terminated.

4.4 Termination for Bankruptcy or Assignment for the Benefit of Creditors. If Contractor files a voluntary petition in bankruptcy, is adjudicated bankrupt, or makes a general assignment for the benefit of creditors, the City may at its option and without further notice to, or demand upon Contractor, terminate this Contract, and terminate each and every right of Contractor, and any person claiming rights by and through Contractor under this Contract.

4.5 Contractor's Right to Payment Following Contract Termination.

4.5.1 Termination for Convenience. If the termination is for the convenience of City an equitable adjustment in the Contract price shall be made. No amount shall be allowed for anticipated profit on unperformed services, and no amount shall be paid for an as needed contract beyond the Contract termination date.

4.5.2 Termination for Default. If, after City gives notice of termination for failure to fulfill Contract obligations to Contractor, it is determined that Contractor had not so failed, the termination shall be deemed to have been effected for the convenience of City. In such event, adjustment in the Contract price shall be made as provided in Section 4.3.2. City's rights and remedies are in addition to any other rights and remedies provided by law or under this Contract.

4.6 Remedies Cumulative. City's remedies are cumulative and are not intended to be exclusive of any other remedies or means of redress to which City may be lawfully entitled in case of any breach or threatened breach of any provision of this Contract.

ARTICLE V ADDITIONAL CONTRACTOR OBLIGATIONS

5.1 Inspection and Acceptance. The City will inspect and accept goods provided under this Contract at the shipment destination unless specified otherwise. Inspection will be made and acceptance will be determined by the City department shown in the shipping address of the Purchase Order or other duly authorized representative of City.

5.2 Responsibility for Lost or Damaged Shipments. Contractor bears the risk of loss or damage to goods prior to the time of their receipt and acceptance by City. City has no obligation to accept damaged shipments and reserves the right to return damaged goods, at Contractor's sole expense, even if the damage was not apparent or discovered until after receipt.

5.3 Responsibility for Damages. Contractor is responsible for all damage that occurs as a result of Contractor's fault or negligence or that of its' employees, agents, or representatives in connection with the performance of this Contract. Contractor shall immediately report any such damage to people and/or property to the Contract Administrator.

5.4 Delivery. Delivery shall be made on the delivery day specified in the Contract Documents. The City, in its sole discretion, may extend the time for delivery. The City may order, in writing, the suspension, delay or interruption of delivery of goods and/or services.

5.5 Delay. Unless otherwise specified herein, time is of the essence for each and every provision of the Contract. Contractor must immediately notify City in writing if there is, or it is anticipated that there will be, a delay in performance. The written notice must explain the cause for the delay and provide a reasonable estimate of the length of the delay. City may terminate this Contract as provided herein if City, in its sole discretion, determines the delay is material.

5.5.1 If a delay in performance is caused by any unforeseen event(s) beyond the control of the parties, City may allow Contractor to a reasonable extension of time to complete performance, but Contractor will not be entitled to damages or additional compensation. Any such extension of time must be approved in writing by City. The following conditions may constitute such a delay: war; changes in law or government regulation; labor disputes; strikes; fires, floods, adverse weather or other similar condition of the elements necessitating cessation of the performance; inability to obtain materials, equipment or labor; or other specific reasons agreed to between City and Contractor. This provision does not apply to a delay caused by Contractor's acts or omissions. Contractor is not entitled to an extension of time to perform if a delay is caused by Contractor's inability to obtain materials, equipment, or labor unless City has received, in a timely manner, documentary proof satisfactory to City of Contractor's inability to obtain materials, equipment, or labor, in which case City's approval must be in writing.

5.6 Restrictions and Regulations Requiring Contract Modification. Contractor shall immediately notify City in writing of any regulations or restrictions that may or will require Contractor to alter the material, quality, workmanship, or performance of the goods and/or services to be provided. City reserves the right to accept any such alteration, including any resulting reasonable price adjustments, or to cancel the Contract at no expense to the City.

5.7 Warranties. All goods and/or services provided under the Contract must be warranted by Contractor or manufacturer for at least twelve (12) months after acceptance by City, except automotive equipment. Automotive equipment must be warranted for a minimum of 12,000 miles or 12 months, whichever occurs first, unless otherwise stated in the Contract. Contractor is responsible to City for all warranty service, parts, and labor. Contractor is required to ensure that warranty work is performed at a facility acceptable to City and that services, parts, and labor are available and provided to meet City's schedules and deadlines. Contractor may establish a warranty service contract with an agency satisfactory to City instead of performing the warranty service itself. If Contractor is not an authorized service center and causes any damage to equipment being serviced, which results in the existing warranty being voided, Contractor will be liable for all costs of repairs to the equipment, or the costs of replacing the equipment with new equipment that meets City's operational needs.

5.8 Industry Standards. Contractor shall provide goods and/or services acceptable to City in strict conformance with the Contract. Contractor shall also provide goods and/or services in accordance with the standards customarily adhered to by an experienced and competent provider of the goods and/or services called for under this Contract using the degree of care and skill ordinarily exercised by reputable providers of such goods and/or services. Where approval by City, the Mayor, or other representative of City is required, it is understood to be general approval only and does not relieve Contractor of responsibility for complying with all applicable laws, codes, policies, regulations, and good business practices.

5.9 Records Retention and Examination. Contractor shall retain, protect, and maintain in an accessible location all records and documents, including paper, electronic, and computer records, relating to this Contract for five (5) years after receipt of final payment by City under this Contract. Contractor shall make all such records and documents available for inspection, copying, or other reproduction, and auditing by authorized representatives of City, including the Purchasing Agent or designee. Contractor shall make available all requested data and records at reasonable locations within City or County of San Diego at any time during normal business hours, and as often as City deems necessary. If records are not made available within the City or County of San Diego, Contractor shall pay City's travel costs to the location where the records are maintained and shall pay for all related travel expenses. Failure to make requested records available for inspection, copying, or other reproduction, or auditing by the date requested may result in termination of the Contract. Contractor must include this provision in all subcontracts made in connection with this Contract.

5.9.1 Contractor shall maintain records of all subcontracts entered into with all firms, all project invoices received from Subcontractors and Suppliers, all purchases of materials and services from Suppliers, and all joint venture participation. Records shall show name, telephone number including area code, and business address of each Subcontractor and Supplier, and joint venture partner, and the total amount actually paid to each firm. Project relevant records, regardless of tier, may be periodically reviewed by the City.

5.10 Quality Assurance Meetings. Upon City's request, Contractor shall schedule one or more quality assurance meetings with City's Contract Administrator to discuss Contractor's performance. If requested, Contractor shall schedule the first quality assurance meeting no later than eight (8) weeks from the date of commencement of work under the Contract. At the quality assurance meeting(s), City's Contract Administrator will provide Contractor with feedback, will note any deficiencies in Contract performance, and provide Contractor with an opportunity to address and correct such deficiencies. The total number of quality assurance meetings that may be required by City will depend upon Contractor's performance.

5.11 Duty to Cooperate with Auditor. The City Auditor may, in his sole discretion, at no cost to the City, and for purposes of performing his responsibilities under Charter section 39.2, review Contractor's records to confirm contract compliance. Contractor shall make reasonable efforts to cooperate with Auditor's requests.

5.12 Safety Data Sheets. If specified by City in the solicitation or otherwise required by this Contract, Contractor must send with each shipment one (1) copy of the Safety Data Sheet (SDS) for each item shipped. Failure to comply with this procedure will be cause for immediate termination of the Contract for violation of safety procedures.

5.13 Project Personnel. Except as formally approved by the City, the key personnel identified in Contractor's bid or proposal shall be the individuals who will actually complete the work. Changes in staffing must be reported in writing and approved by the City.

5.13.1 Criminal Background Certification. Contractor certifies that all employees working on this Contract have had a criminal background check and that said employees are clear of any sexual and drug related convictions. Contractor further certifies that all employees hired by Contractor or a subcontractor shall be free from any felony convictions.

5.13.2 Photo Identification Badge. Contractor shall provide a company photo identification badge to any individual assigned by Contractor or subcontractor to perform services or deliver goods on City premises. Such badge must be worn at all times while on City premises. City reserves the right to require Contractor to pay fingerprinting fees for personnel assigned to work in sensitive areas. All employees shall turn in their photo identification badges to Contractor upon completion of services and prior to final payment of invoice.

5.14 Standards of Conduct. Contractor is responsible for maintaining standards of employee competence, conduct, courtesy, appearance, honesty, and integrity satisfactory to the City.

5.14.1 Supervision. Contractor shall provide adequate and competent supervision at all times during the Contract term. Contractor shall be readily available to meet with the City. Contractor shall provide the telephone numbers where its representative(s) can be reached.

5.14.2 City Premises. Contractor's employees and agents shall comply with all City rules and regulations while on City premises.

5.14.3 Removal of Employees. City may request Contractor immediately remove from assignment to the City any employee found unfit to perform duties at the City. Contractor shall comply with all such requests.

5.15 Licenses and Permits. Contractor shall, without additional expense to the City, be responsible for obtaining any necessary licenses, permits, certifications, accreditations, fees and approvals for complying with any federal, state, county, municipal, and other laws, codes, and regulations applicable to Contract performance. This includes, but is not limited to, any laws or regulations requiring the use of licensed contractors to perform parts of the work.

5.16 Contractor and Subcontractor Registration Requirements. Prior to the award of the Contract or Task Order, Contractor and Contractor's subcontractors and suppliers must register with the City's web-based vendor registration and bid management system. The City may not award the Contract until registration of all subcontractors and suppliers is complete. In the event this requirement is not met within the time frame specified by the City, the City reserves the right to rescind the Contract award and to make the award to the next responsive and responsible proposer of bidder.

ARTICLE VI INTELLECTUAL PROPERTY RIGHTS

6.1 Rights in Data. If, in connection with the services performed under this Contract, Contractor or its employees, agents, or subcontractors, create artwork, audio recordings, blueprints, designs, diagrams, documentation, photographs, plans, reports, software, source code, specifications, surveys, system designs, video recordings, or any other original works of authorship, whether written or readable by machine (Deliverable Materials), all rights of Contractor or its subcontractors in the Deliverable Materials, including, but not limited to publication, and registration of copyrights, and trademarks in the Deliverable Materials, are the sole property of City. Contractor, including its employees, agents, and subcontractors, may not use any Deliverable Material for purposes unrelated to Contractor's work on behalf of the City without prior written consent of City. Contractor may not publish or reproduce any Deliverable Materials, for purposes unrelated to Contractor's work on behalf of the City, without the prior written consent of the City.

6.2 Intellectual Property Rights Assignment. For no additional compensation, Contractor hereby assigns to City all of Contractor's rights, title, and interest in and to the content of the Deliverable Materials created by Contractor or its employees, agents, or subcontractors, including copyrights, in connection with the services performed under this Contract. Contractor

shall promptly execute and deliver, and shall cause its employees, agents, and subcontractors to promptly execute and deliver, upon request by the City or any of its successors or assigns at any time and without further compensation of any kind, any power of attorney, assignment, application for copyright, patent, trademark or other intellectual property right protection, or other papers or instruments which may be necessary or desirable to fully secure, perfect or otherwise protect to or for the City, its successors and assigns, all right, title and interest in and to the content of the Deliverable Materials. Contractor also shall cooperate and assist in the prosecution of any action or opposition proceeding involving such intellectual property rights and any adjudication of those rights.

6.3 Contractor Works. Contractor Works means tangible and intangible information and material that: (a) had already been conceived, invented, created, developed or acquired by Contractor prior to the effective date of this Contract; or (b) were conceived, invented, created, or developed by Contractor after the effective date of this Contract, but only to the extent such information and material do not constitute part or all of the Deliverable Materials called for in this Contract. All Contractor Works, and all modifications or derivatives of such Contractor Works, including all intellectual property rights in or pertaining to the same, shall be owned solely and exclusively by Contractor.

6.4 Subcontracting. In the event that Contractor utilizes a subcontractor(s) for any portion of the work that comprises the whole or part of the specified Deliverable Materials to the City, the agreement between Contractor and the subcontractor shall include a statement that identifies the Deliverable Materials as a “works for hire” as described in the United States Copyright Act of 1976, as amended, and that all intellectual property rights in the Deliverable Materials, whether arising in copyright, trademark, service mark or other forms of intellectual property rights, belong to and shall vest solely with the City. Further, the agreement between Contractor and its subcontractor shall require that the subcontractor, if necessary, shall grant, transfer, sell and assign, free of charge, exclusively to City, all titles, rights and interests in and to the Deliverable Materials, including all copyrights, trademarks and other intellectual property rights. City shall have the right to review any such agreement for compliance with this provision.

6.5 Intellectual Property Warranty and Indemnification. Contractor represents and warrants that any materials or deliverables, including all Deliverable Materials, provided under this Contract are either original, or not encumbered, and do not infringe upon the copyright, trademark, patent or other intellectual property rights of any third party, or are in the public domain. If Deliverable Materials provided hereunder become the subject of a claim, suit or allegation of copyright, trademark or patent infringement, City shall have the right, in its sole discretion, to require Contractor to produce, at Contractor’s own expense, new non-infringing materials, deliverables or works as a means of remedying any claim of infringement in addition to any other remedy available to the City under law or equity. Contractor further agrees to indemnify, defend, and hold harmless the City, its officers, employees and agents from and against any and all claims, actions, costs, judgments or damages, of any type, alleging or threatening that any Deliverable Materials, supplies, equipment, services or works provided under this contract infringe the copyright, trademark, patent or other intellectual property or proprietary rights of any third party (Third Party Claim of Infringement). If a Third Party Claim

of Infringement is threatened or made before Contractor receives payment under this Contract, City shall be entitled, upon written notice to Contractor, to withhold some or all of such payment.

6.6 Software Licensing. Contractor represents and warrants that the software, if any, as delivered to City, does not contain any program code, virus, worm, trap door, back door, time or clock that would erase data or programming or otherwise cause the software to become inoperable, inaccessible, or incapable of being used in accordance with its user manuals, either automatically, upon the occurrence of licensor-selected conditions or manually on command. Contractor further represents and warrants that all third party software, delivered to City or used by Contractor in the performance of the Contract, is fully licensed by the appropriate licensor.

6.7 Publication. Contractor may not publish or reproduce any Deliverable Materials, for purposes unrelated to Contractor's work on behalf of the City without prior written consent from the City.

6.8 Royalties, Licenses, and Patents. Unless otherwise specified, Contractor shall pay all royalties, license, and patent fees associated with the goods that are the subject of this solicitation. Contractor warrants that the goods, materials, supplies, and equipment to be supplied do not infringe upon any patent, trademark, or copyright, and further agrees to defend any and all suits, actions and claims for infringement that are brought against the City, and to defend, indemnify and hold harmless the City, its elected officials, officers, and employees from all liability, loss and damages, whether general, exemplary or punitive, suffered as a result of any actual or claimed infringement asserted against the City, Contractor, or those furnishing goods, materials, supplies, or equipment to Contractor under the Contract.

ARTICLE VII INDEMNIFICATION AND INSURANCE

7.1 Indemnification. To the fullest extent permitted by law, Contractor shall defend (with legal counsel reasonably acceptable to City), indemnify, protect, and hold harmless City and its elected officials, officers, employees, agents, and representatives (Indemnified Parties) from and against any and all claims, losses, costs, damages, injuries (including, without limitation, injury to or death of an employee of Contractor or its subcontractors), expense, and liability of every kind, nature and description (including, without limitation, incidental and consequential damages, court costs, and litigation expenses and fees of expert consultants or expert witnesses incurred in connection therewith and costs of investigation) that arise out of, pertain to, or relate to, directly or indirectly, in whole or in part, any goods provided or performance of services under this Contract by Contractor, any subcontractor, anyone directly or indirectly employed by either of them, or anyone that either of them control. Contractor's duty to defend, indemnify, protect and hold harmless shall not include any claims or liabilities arising from the sole negligence or willful misconduct of the Indemnified Parties.

7.2 Insurance. Contractor shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or

in connection with the performance of the work hereunder and the results of that work by Contractor, his agents, representatives, employees or subcontractors.

Contractor shall provide, at a minimum, the following:

7.2.1 Commercial General Liability. Insurance Services Office Form CG 00 01 covering CGL on an “occurrence” basis, including products and completed operations, property damage, bodily injury, and personal and advertising injury with limits no less than \$1,000,000 per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location (ISO CG 25 03 or 25 04) or the general aggregate limit shall be twice the required occurrence limit.

7.2.2 Commercial Automobile Liability. Insurance Services Office Form Number CA 0001 covering Code 1 (any auto) or, if Contractor has no owned autos, Code 8 (hired) and 9 (non-owned), with limit no less than \$1,000,000 per accident for bodily injury and property damage.

7.2.3 Workers' Compensation. Insurance as required by the State of California, with Statutory Limits, and Employer’s Liability Insurance with limit of no less than \$1,000,000 per accident for bodily injury or disease.

7.2.4 Professional Liability (Errors and Omissions). For consultant contracts, insurance appropriate to Consultant’s profession, with limit no less than \$1,000,000 per occurrence or claim, \$2,000,000 aggregate.

If Contractor maintains broader coverage and/or higher limits than the minimums shown above, City requires and shall be entitled to the broader coverage and/or the higher limits maintained by Contractor. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to City.

7.2.5 Other Insurance Provisions. The insurance policies are to contain, or be endorsed to contain, the following provisions:

7.2.5.1 Additional Insured Status. The City, its officers, officials, employees, and volunteers are to be covered as additional insureds on the CGL policy with respect to liability arising out of work or operations performed by or on behalf of Contractor including materials, parts, or equipment furnished in connection with such work or operations. General liability coverage can be provided in the form of an endorsement to Contractor’s insurance (at least as broad as ISO Form CG 20 10 11 85 or if not available, through the addition of both CG 20 10, CG 20 26, CG 20 33, or CG 20 38; and CG 20 37 if a later edition is used).

7.2.5.2 Primary Coverage. For any claims related to this contract, Contractor's insurance coverage shall be primary coverage at least as broad as ISO CG 20 01 04 13 as respects the City, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by City, its officers, officials, employees, or volunteers shall be excess of Contractor's insurance and shall not contribute with it.

7.2.5.3 Notice of Cancellation. Each insurance policy required above shall provide that coverage shall not be canceled, except with notice to City.

7.2.5.4 Waiver of Subrogation. Contractor hereby grants to City a waiver of any right to subrogation which the Workers' Compensation insurer of said Contractor may acquire against City by virtue of the payment of any loss under such insurance. Contractor agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the City has received a waiver of subrogation endorsement from the insurer.

7.2.5.5 Claims Made Policies (applicable only to professional liability). The Retroactive Date must be shown, and must be before the date of the contract or the beginning of contract work. Insurance must be maintained and evidence of insurance must be provided for at least five (5) years after completion of the contract of work. If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a Retroactive Date prior to the contract effective date, Contractor must purchase "extended reporting" coverage for a minimum of five (5) years after completion of work.

7.3 Self Insured Retentions. Self-insured retentions must be declared to and approved by City. City may require Contractor to purchase coverage with a lower retention or provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention. The policy language shall provide, or be endorsed to provide, that the self-insured retention may be satisfied by either the named insured or City.

7.4 Acceptability of Insurers. Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A-VI, unless otherwise acceptable to City.

City will accept insurance provided by non-admitted, "surplus lines" carriers only if the carrier is authorized to do business in the State of California and is included on the List of Approved Surplus Lines Insurers (LASLI list). All policies of insurance carried by non-admitted carriers are subject to all of the requirements for policies of insurance provided by admitted carriers described herein.

7.5 Verification of Coverage. Contractor shall furnish City with original certificates and amendatory endorsements or copies of the applicable policy language effecting coverage required by this clause. All certificates and endorsements are to be received and approved by City before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive Contractor's obligation to provide them. City reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.

7.6 Special Risks or Circumstances. City reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.

7.7 Additional Insurance. Contractor may obtain additional insurance not required by this Contract.

7.8 Excess Insurance. All policies providing excess coverage to City shall follow the form of the primary policy or policies including but not limited to all endorsements.

7.9 Subcontractors. Contractor shall require and verify that all subcontractors maintain insurance meeting all the requirements stated herein, and Contractor shall ensure that City is an additional insured on insurance required from subcontractors. For CGL coverage, subcontractors shall provide coverage with a format at least as broad as the CG 20 38 04 13 endorsement.

ARTICLE VIII BONDS

8.1 Payment and Performance Bond. Prior to the execution of this Contract, City may require Contractor to post a payment and performance bond (Bond). The Bond shall guarantee Contractor's faithful performance of this Contract and assure payment to contractors, subcontractors, and to persons furnishing goods and/or services under this Contract.

8.1.1 Bond Amount. The Bond shall be in a sum equal to twenty-five percent (25%) of the Contract amount, unless otherwise stated in the Specifications. City may file a claim against the Bond if Contractor fails or refuses to fulfill the terms and provisions of the Contract.

8.1.2 Bond Term. The Bond shall remain in full force and effect at least until complete performance of this Contract and payment of all claims for materials and labor, at which time it will convert to a ten percent (10%) warranty bond, which shall remain in place until the end of the warranty periods set forth in this Contract. The Bond shall be renewed annually, at least sixty (60) days in advance of its expiration, and Contractor shall provide timely proof of annual renewal to City.

8.1.3 Bond Surety. The Bond must be furnished by a company authorized by the State of California Department of Insurance to transact surety business in the State of California and which has a current A.M. Best rating of at least "A-, VIII."

8.1.4 Non-Renewal or Cancellation. The Bond must provide that City and Contractor shall be provided with sixty (60) days' advance written notice in the event of non-renewal, cancellation, or material change to its terms. In the event of non-renewal, cancellation, or material change to the Bond terms, Contractor shall provide City with evidence of the new source of surety within twenty-one (21) calendar days after the date of the notice of non-renewal, cancellation, or material change. Failure to maintain the Bond, as required herein, in full force

and effect as required under this Contract, will be a material breach of the Contract subject to termination of the Contract.

8.2 Alternate Security. City may, at its sole discretion, accept alternate security in the form of an endorsed certificate of deposit, a money order, a certified check drawn on a solvent bank, or other security acceptable to the Purchasing Agent in an amount equal to the required Bond.

ARTICLE IX CITY-MANDATED CLAUSES AND REQUIREMENTS

9.1 Contractor Certification of Compliance. By signing this Contract, Contractor certifies that Contractor is aware of, and will comply with, these City-mandated clauses throughout the duration of the Contract.

9.1.1 Drug-Free Workplace Certification. Contractor shall comply with City's Drug-Free Workplace requirements set forth in Council Policy 100-17, which is incorporated into the Contract by this reference.

9.1.2 Contractor Certification for Americans with Disabilities Act (ADA) and State Access Laws and Regulations: Contractor shall comply with all accessibility requirements under the ADA and under Title 24 of the California Code of Regulations (Title 24). When a conflict exists between the ADA and Title 24, Contractor shall comply with the most restrictive requirement (i.e., that which provides the most access). Contractor also shall comply with the City's ADA Compliance/City Contractors requirements as set forth in Council Policy 100-04, which is incorporated into this Contract by reference. Contractor warrants and certifies compliance with all federal and state access laws and regulations and further certifies that any subcontract agreement for this contract contains language which indicates the subcontractor's agreement to abide by the provisions of the City's Council Policy and any applicable access laws and regulations.

9.1.3 Non-Discrimination Requirements.

9.1.3.1 Compliance with City's Equal Opportunity Contracting Program (EOCP). Contractor shall comply with City's EOCP Requirements. Contractor shall not discriminate against any employee or applicant for employment on any basis prohibited by law. Contractor shall provide equal opportunity in all employment practices. Prime Contractors shall ensure that their subcontractors comply with this program. Nothing in this Section shall be interpreted to hold a Prime Contractor liable for any discriminatory practice of its subcontractors.

9.1.3.2 Non-Discrimination Ordinance. Contractor shall not discriminate on the basis of race, gender, gender expression, gender identity, religion, national origin, ethnicity, sexual orientation, age, or disability in the solicitation, selection, hiring or treatment of subcontractors, vendors or suppliers. Contractor shall provide equal opportunity for subcontractors to participate in subcontracting opportunities. Contractor understands and agrees that violation of this clause shall be considered a material breach of the Contract and may result

in Contract termination, debarment, or other sanctions. Contractor shall ensure that this language is included in contracts between Contractor and any subcontractors, vendors and suppliers.

9.1.3.3 Compliance Investigations. Upon City's request, Contractor agrees to provide to City, within sixty calendar days, a truthful and complete list of the names of all subcontractors, vendors, and suppliers that Contractor has used in the past five years on any of its contracts that were undertaken within San Diego County, including the total dollar amount paid by Contractor for each subcontract or supply contract. Contractor further agrees to fully cooperate in any investigation conducted by City pursuant to City's Nondiscrimination in Contracting Ordinance. Contractor understands and agrees that violation of this clause shall be considered a material breach of the Contract and may result in Contract termination, debarment, and other sanctions.

9.1.4 Equal Benefits Ordinance Certification. Unless an exception applies, Contractor shall comply with the Equal Benefits Ordinance (EBO) codified in the San Diego Municipal Code (SDMC). Failure to maintain equal benefits is a material breach of the Contract.

9.1.5 Contractor Standards. Contractor shall comply with Contractor Standards provisions codified in the SDMC. Contractor understands and agrees that violation of Contractor Standards may be considered a material breach of the Contract and may result in Contract termination, debarment, and other sanctions.

9.1.6 Noise Abatement. Contractor shall operate, conduct, or construct without violating the City's Noise Abatement Ordinance codified in the SDMC.

9.1.7 Storm Water Pollution Prevention Program. Contractor shall comply with the City's Storm Water Management and Discharge Control provisions codified in Division 3 of Chapter 4 of the SDMC, as may be amended, and any and all applicable Best Management Practice guidelines and pollution elimination requirements in performing or delivering services at City owned, leased, or managed property, or in performance of services and activities on behalf of City regardless of location.

Contractor shall comply with the City's Jurisdictional Urban Runoff Management Plan encompassing Citywide programs and activities designed to prevent and reduce storm water pollution within City boundaries as adopted by the City Council on January 22, 2008, via Resolution No. 303351, as may be amended.

Contractor shall comply with each City facility or work site's Storm Water Pollution Prevention Plan, as applicable, and institute all controls needed while completing the services to minimize any negative impact to the storm water collection system and environment.

9.1.8 Service Worker Retention Ordinance. If applicable, Contractor shall comply with the Service Worker Retention Ordinance (SWRO) codified in the SDMC.

9.1.9 Product Endorsement. Contractor shall comply with Council Policy 000-41 which requires that other than listing the City as a client and other limited endorsements, any advertisements, social media, promotions or other marketing referring to the City as a user of a product or service will require prior written approval of the Mayor or designee. Use of the City Seal or City logos is prohibited.

9.1.10 Business Tax Certificate. Unless the City Treasurer determines in writing that a contractor is exempt from the payment of business tax, any contractor doing business with the City of San Diego is required to obtain a Business Tax Certificate (BTC) and to provide a copy of its BTC to the City before a Contract is executed.

9.1.11 Equal Pay Ordinance. Unless an exception applies, Contractor shall comply with the Equal Pay Ordinance codified in San Diego Municipal Code sections 22.4801 through 22.4809. Contractor shall certify in writing that it will comply with the requirements of the EPO.

9.1.11.1 Contractor and Subcontract Requirement. The Equal Pay Ordinance applies to any subcontractor who performs work on behalf of a Contractor to the same extent as it would apply to that Contractor. Any Contractor subject to the Equal Pay Ordinance shall require all of its subcontractors to certify compliance with the Equal Pay Ordinance in its written subcontracts.

ARTICLE X CONFLICT OF INTEREST AND VIOLATIONS OF LAW

10.1 Conflict of Interest Laws. Contractor is subject to all federal, state and local conflict of interest laws, regulations, and policies applicable to public contracts and procurement practices including, but not limited to, California Government Code sections 1090, *et. seq.* and 81000, *et. seq.*, and the Ethics Ordinance, codified in the SDMC. City may determine that Contractor must complete one or more statements of economic interest disclosing relevant financial interests. Upon City's request, Contractor shall submit the necessary documents to City.

10.2 Contractor's Responsibility for Employees and Agents. Contractor is required to establish and make known to its employees and agents appropriate safeguards to prohibit employees from using their positions for a purpose that is, or that gives the appearance of being, motivated by the desire for private gain for themselves or others, particularly those with whom they have family, business or other relationships.

10.3 Contractor's Financial or Organizational Interests. In connection with any task, Contractor shall not recommend or specify any product, supplier, or contractor with whom Contractor has a direct or indirect financial or organizational interest or relationship that would violate conflict of interest laws, regulations, or policies.

10.4 Certification of Non-Collusion. Contractor certifies that: (1) Contractor's bid or proposal was not made in the interest of or on behalf of any person, firm, or corporation not identified; (2) Contractor did not directly or indirectly induce or solicit any other bidder or proposer to put in a sham bid or proposal; (3) Contractor did not directly or indirectly induce or

solicit any other person, firm or corporation to refrain from bidding; and (4) Contractor did not seek by collusion to secure any advantage over the other bidders or proposers.

10.5 Hiring City Employees. This Contract shall be unilaterally and immediately terminated by City if Contractor employs an individual who within the twelve (12) months immediately preceding such employment did in his/her capacity as a City officer or employee participate in negotiations with or otherwise have an influence on the selection of Contractor.

ARTICLE XI DISPUTE RESOLUTION

11.1 Mediation. If a dispute arises out of or relates to this Contract and cannot be settled through normal contract negotiations, Contractor and City shall use mandatory non-binding mediation before having recourse in a court of law.

11.2 Selection of Mediator. A single mediator that is acceptable to both parties shall be used to mediate the dispute. The mediator will be knowledgeable in the subject matter of this Contract, if possible.

11.3 Expenses. The expenses of witnesses for either side shall be paid by the party producing such witnesses. All other expenses of the mediation, including required traveling and other expenses of the mediator, and the cost of any proofs or expert advice produced at the direct request of the mediator, shall be borne equally by the parties, unless they agree otherwise.

11.4 Conduct of Mediation Sessions. Mediation hearings will be conducted in an informal manner and discovery will not be allowed. The discussions, statements, writings and admissions will be confidential to the proceedings (pursuant to California Evidence Code sections 1115 through 1128) and will not be used for any other purpose unless otherwise agreed by the parties in writing. The parties may agree to exchange any information they deem necessary. Both parties shall have a representative attend the mediation who is authorized to settle the dispute, though City's recommendation of settlement may be subject to the approval of the Mayor and City Council. Either party may have attorneys, witnesses or experts present.

11.5 Mediation Results. Any agreements resulting from mediation shall be memorialized in writing. The results of the mediation shall not be final or binding unless otherwise agreed to in writing by the parties. Mediators shall not be subject to any subpoena or liability, and their actions shall not be subject to discovery.

ARTICLE XII MANDATORY ASSISTANCE

12.1 Mandatory Assistance. If a third party dispute or litigation, or both, arises out of, or relates in any way to the services provided to the City under a Contract, Contractor, its agents, officers, and employees agree to assist in resolving the dispute or litigation upon City's request. Contractor's assistance includes, but is not limited to, providing professional consultations,

attending mediations, arbitrations, depositions, trials or any event related to the dispute resolution and/or litigation.

12.2 Compensation for Mandatory Assistance. City will compensate Contractor for fees incurred for providing Mandatory Assistance. If, however, the fees incurred for the Mandatory Assistance are determined, through resolution of the third party dispute or litigation, or both, to be attributable in whole, or in part, to the acts or omissions of Contractor, its agents, officers, and employees, Contractor shall reimburse City for all fees paid to Contractor, its agents, officers, and employees for Mandatory Assistance.

12.3 Attorneys' Fees Related to Mandatory Assistance. In providing City with dispute or litigation assistance, Contractor or its agents, officers, and employees may incur expenses and/or costs. Contractor agrees that any attorney fees it may incur as a result of assistance provided under Section 12.2 are not reimbursable.

ARTICLE XIII MISCELLANEOUS

13.1 Headings. All headings are for convenience only and shall not affect the interpretation of this Contract.

13.2 Non-Assignment. Contractor may not assign the obligations under this Contract, whether by express assignment or by sale of the company, nor any monies due or to become due under this Contract, without City's prior written approval. Any assignment in violation of this paragraph shall constitute a default and is grounds for termination of this Contract at the City's sole discretion. In no event shall any putative assignment create a contractual relationship between City and any putative assignee.

13.3 Independent Contractors. Contractor and any subcontractors employed by Contractor are independent contractors and not agents of City. Any provisions of this Contract that may appear to give City any right to direct Contractor concerning the details of performing or providing the goods and/or services, or to exercise any control over performance of the Contract, shall mean only that Contractor shall follow the direction of City concerning the end results of the performance.

13.4 Subcontractors. All persons assigned to perform any work related to this Contract, including any subcontractors, are deemed to be employees of Contractor, and Contractor shall be directly responsible for their work.

13.5 Covenants and Conditions. All provisions of this Contract expressed as either covenants or conditions on the part of City or Contractor shall be deemed to be both covenants and conditions.

13.6 Compliance with Controlling Law. Contractor shall comply with all applicable local, state, and federal laws, regulations, and policies. Contractor's act or omission in violation of applicable local, state, and federal laws, regulations, and policies is grounds for contract

termination. In addition to all other remedies or damages allowed by law, Contractor is liable to City for all damages, including costs for substitute performance, sustained as a result of the violation. In addition, Contractor may be subject to suspension, debarment, or both.

13.7 Governing Law. The Contract shall be deemed to be made under, construed in accordance with, and governed by the laws of the State of California without regard to the conflicts or choice of law provisions thereof.

13.8 Venue. The venue for any suit concerning solicitations or the Contract, the interpretation of application of any of its terms and conditions, or any related disputes shall be in the County of San Diego, State of California.

13.9 Successors in Interest. This Contract and all rights and obligations created by this Contract shall be in force and effect whether or not any parties to the Contract have been succeeded by another entity, and all rights and obligations created by this Contract shall be vested and binding on any party's successor in interest.

13.10 No Waiver. No failure of either City or Contractor to insist upon the strict performance by the other of any covenant, term or condition of this Contract, nor any failure to exercise any right or remedy consequent upon a breach of any covenant, term, or condition of this Contract, shall constitute a waiver of any such breach of such covenant, term or condition. No waiver of any breach shall affect or alter this Contract, and each and every covenant, condition, and term hereof shall continue in full force and effect without respect to any existing or subsequent breach.

13.11 Severability. The unenforceability, invalidity, or illegality of any provision of this Contract shall not render any other provision of this Contract unenforceable, invalid, or illegal.

13.12 Drafting Ambiguities. The parties acknowledge that they have the right to be advised by legal counsel with respect to the negotiations, terms and conditions of this Contract, and the decision of whether to seek advice of legal counsel with respect to this Contract is the sole responsibility of each party. This Contract shall not be construed in favor of or against either party by reason of the extent to which each party participated in the drafting of the Contract.

13.13 Amendments. Neither this Contract nor any provision hereof may be changed, modified, amended or waived except by a written agreement executed by duly authorized representatives of City and Contractor. Any alleged oral amendments have no force or effect. The Purchasing Agent must sign all Contract amendments.

13.14 Conflicts Between Terms. If this Contract conflicts with an applicable local, state, or federal law, regulation, or court order, applicable local, state, or federal law, regulation, or court order shall control. Varying degrees of stringency among the main body of this Contract, the exhibits or attachments, and laws, regulations, or orders are not deemed conflicts, and the most stringent requirement shall control. Each party shall notify the other immediately upon the identification of any apparent conflict or inconsistency concerning this Contract.

13.15 Survival of Obligations. All representations, indemnifications, warranties, and guarantees made in, required by, or given in accordance with this Contract, as well as all continuing obligations indicated in this Contract, shall survive, completion and acceptance of performance and termination, expiration or completion of the Contract.

13.16 Confidentiality of Services. All services performed by Contractor, and any sub-contractor(s) if applicable, including but not limited to all drafts, data, information, correspondence, proposals, reports of any nature, estimates compiled or composed by Contractor, are for the sole use of City, its agents, and employees. Neither the documents nor their contents shall be released by Contractor or any subcontractor to any third party without the prior written consent of City. This provision does not apply to information that: (1) was publicly known, or otherwise known to Contractor, at the time it was disclosed to Contractor by City; (2) subsequently becomes publicly known through no act or omission of Contractor; or (3) otherwise becomes known to Contractor other than through disclosure by City.

13.17 Insolvency. If Contractor enters into proceedings relating to bankruptcy, whether voluntary or involuntary, Contractor agrees to furnish, by certified mail or electronic commerce method authorized by the Contract, written notification of the bankruptcy to the Purchasing Agent and the Contract Administrator responsible for administering the Contract. This notification shall be furnished within five (5) days of the initiation of the proceedings relating to bankruptcy filing. This notification shall include the date on which the bankruptcy petition was filed, the identity of the court in which the bankruptcy petition was filed, and a listing of City contract numbers and contracting offices for all City contracts against which final payment has not been made. This obligation remains in effect until final payment is made under this Contract.

13.18 No Third Party Beneficiaries. Except as may be specifically set forth in this Contract, none of the provisions of this Contract are intended to benefit any third party not specifically referenced herein. No party other than City and Contractor shall have the right to enforce any of the provisions of this Contract.

13.19 Actions of City in its Governmental Capacity. Nothing in this Contract shall be interpreted as limiting the rights and obligations of City in its governmental or regulatory capacity.



Tab A - Submission of Information and Forms

February 28, 2024

Solicitation Number 10090112-24-L





Table of Contents - Tab A

2.1 Completed and Signed Contract Signature Page.....	1
2.2 Exceptions.....	2
2.3 Contractor Standards Pledge of Compliance Form.....	13
2.4 Equal Opportunity Contracting Forms.....	14
2.6 License as Required in Exhibit B.....	15
2.8 Additional Information as required in Exhibit B.....	16



2.1 Completed and Signed Contract Signature Page

We have provided our **Completed and Signed Contract Signature Page** below.

Due to varying file types, these pages will not display on the Table of Contents.

5.4 Counterparts. This Contract may be executed in counterparts which, when taken together, shall constitute a single signed original as though all Parties had executed the same page.

5.5 Public Agencies. Other public agencies, as defined by California Government Code section 6500, may choose to use the terms of this Contract, subject to Contractor's acceptance. The City is not liable or responsible for any obligations related to a subsequent Contract between Contractor and another public agency.

IN WITNESS WHEREOF, this Contract is executed by City and Contractor acting by and through their authorized officers.

CONTRACTOR

CITY OF SAN DIEGO
A Municipal Corporation

Crowe LLP
Proposer

BY: _____

650 Town Center Drive, Suite 740
Street Address

Print Name:

Costa Mesa, California 92626-7192
City, State, Zip

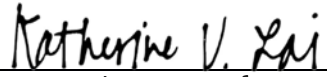
Director, Purchasing & Contracting Department

714.668.5376
Telephone No.

Date Signed

kathy.lai@crowe.com
E-Mail

BY:


Signature of
Proposer's Authorized
Representative

Approved as to form this ____ day of
_____, 20____.
MARA W. ELLIOTT, City Attorney

Katherine V. Lai
Print Name

BY: _____
Deputy City Attorney

Partner
Title

February 28, 2024
Date

2.2 Exceptions

Crowe has reviewed the City of San Diego Sample Contract and Terms and Conditions. Should Crowe be selected to engage in negotiations for a final agreement, Crowe will request modifications to the following proposed terms. Areas to be negotiated include, among others, the following:

Section	Notes
<u>Exhibit A, Proposal Submission and Requirements, Section A (10), Right to Audit</u>	<p>Any such audits shall be limited to the books and records to audit the billing/invoices for the services performed under the Agreement. Any audits will also be limited to once per any 12-month period, be conducted at reasonable business hours and shall occur for no longer than one business day, unless otherwise required by law. In responding to any requests under this Section or this Agreement generally, Crowe shall be entitled to provide summary level or redacted information to protect the confidentiality of Crowe, its employees, clients and other third parties.</p> <p>Justification: Crowe simply requests that any audits be conducted in a reasonable fashion, with a limited scope, under agreed-upon timetables and in a mutually acceptable manner.</p>
<u>Exhibit A, Proposal Submission and Requirements, Section C (3.5), Inspection</u>	<p>Crowe will seek to narrow the scope of inspection requests to responding to IT-related questionnaires. In responding to any requests under this Section or this Agreement generally, Crowe shall be entitled to provide summary level or redacted information to protect the confidentiality of Crowe, its employees, clients and other third parties.</p> <p>Justification: Because Crowe computing systems are used across multiple clients, we cannot permit an actual inspection or monitoring of our computer systems, facilities or network. Just as Crowe would protect the confidential information of the City, we are obligated to do so across all clients. Nevertheless, Crowe is amenable to providing responses to any IT-related questionnaires or other surveys and will work with the City to provide the necessary information you may require, all while protecting the confidential information of Crowe, our clients or other third parties. Thus, Section 3.5 would require deletion or adjustment to so reflect.</p>
<u>Exhibit C, General Contract Terms and Provisions, Section 4.2, City's Right to Terminate for Convenience</u>	<p>Crowe seeks to clarify that upon any such termination for convenience by the City, Crowe would deliver those materials which constitute deliverables upon full payment of invoices.</p> <p>Justification: Crowe anticipates receiving payment for services performed and expenses incurred through the date of any such termination.</p>
<u>Exhibit C, General Contract Terms and Provisions, Section 4.3.1, City's Right to Terminate for Default</u>	<p>Crowe requests that the cure period be revised to 30 calendar days.</p> <p>Justification: Depending upon the nature of the issue, it may take additional time to remedy any concerns. Therefore, we seek to change 10 calendar days to 30 calendar days in this section.</p>
<u>Exhibit C, General Contract Terms and Provisions, Section 4.3.2, City's Right to Terminate for Default</u>	<p>Crowe requests an adjustment to this section such that it will read as follows: "If City terminates this Contract, in whole or in part, Contractor shall continue performance to the extent not terminated."</p> <p>Justification: In the event the City determines that a portion of the services are unsatisfactory, Crowe will work with the City to reperform the services to the satisfaction of the City or otherwise refund that portion of the services deemed unsatisfactory.</p>
<u>Exhibit C, General Contract Terms and Provisions, Section 4</u>	<p>Crowe requests the right to terminate the agreement based upon a material breach by the City after written notice and right to cure. In addition, Crowe must have the ability to resign if required to comply with accounting with professional standards. Crowe would seek to add: "As a regulated professional services firm, Crowe must follow professional standards when applicable, including the Code of Professional Conduct of the American Institute of Certified Public Accountants ("AICPA"). Thus, if circumstances arise that, in Crowe's professional judgment, prevent it from completing the engagement, Crowe retains the right to take any course of action permitted by professional standards, including declining to express an opinion or issue other work product or terminating the engagement."</p> <p>Justification: As a regulated professional services firm, Crowe is obligated to follow applicable professional standards. Therefore, we seek our standard clause permitting Crowe to terminate the agreement in the event professional standards may require it. Likewise, similar to the City's right to terminate for material breach after failure to cure the breach, Crowe requires a similar ability to terminate the agreement for a material breach after written notice and right to cure.</p>
<u>Exhibit C, General Contract Terms and Provisions, Section 4.5.2, Termination for Default</u>	<p>Crowe believes the internal paragraph reference (in Section 4.5.2) to 4.3.2 is in error and should be 4.5.1, which references the applicable adjustment.</p> <p>Justification: Correction of suspected error.</p>
<u>Exhibit C, General Contract Terms and Provisions, Section 5.1, Inspection and Acceptance</u>	<p>Crowe seeks to remove this in its entirety since this is not applicable for the type of services.</p>
<u>Exhibit C, General Contract Terms and Provisions, Section 5.4, Delivery</u>	<p>Crowe seeks to remove this in its entirety since this is not applicable for the types of services.</p>
<u>Exhibit C, General Contract Terms and Provisions, Section 5.5, Delay</u>	<p>The clause stating that "time is of the essence" should either be removed or revised to be mutual and conditioned upon fulfillment of all client responsibilities under the agreement. Crowe's ability to provide services is contingent upon timely and complete cooperation and delivery of information from the client.</p> <p>Justification: Crowe's ability to provide services is contingent upon timely and complete cooperation and delivery of information from the client.</p>

<p><u>Exhibit C. General Contract Terms and Provisions, Section 5.7. Warranties</u></p>	<p>Crowe seeks removal of this clause as it is not applicable to the professional services provided by Crowe.</p> <p>Justification: Crowe is a professional services firm and does not provide goods or warrantable services under this agreement. Crowe will perform services in accordance with the standards set forth in Section 5.8.</p>
<p><u>Exhibit C. General Contract Terms and Provisions, Section 5.9. Records Retention and Examination and Section 5.11. Duty to Cooperate with Auditor</u></p>	<p>Any such audits shall be limited to the books and records to audit the billing/invoices for the services performed under the Agreement. Any audits will also be limited to once per any 12-month period, be conducted at reasonable business hours and shall occur for no longer than one business day, unless otherwise required by law. In responding to any requests under this Section or this Agreement generally, Crowe shall be entitled to provide summary level or redacted information to protect the confidentiality of Crowe, its employees, clients and other third parties.</p> <p>Justification: Crowe simply requests that any audits be conducted in a reasonable fashion, with a limited scope, under agreed-upon timetables and in a mutually acceptable manner.</p>
<p><u>Exhibit C. General Contract Terms and Provisions, Sections 6.1 to 6.8. Intellectual Property Rights</u></p>	<p>Crowe seeks adjustments to these sections to reflect that except as may be detailed in the specific statement of work, various materials generated by Crowe shall remain the property of Crowe (by reason of applicable professional standards or by reason of ownership of the underlying toolkits or methodologies). However, to the extent that any deliverables are to be owned by the City, those would be agreed upon by the parties and specified in the applicable statement of work.</p> <p>Likewise, although Crowe does not provide a direct warranty relating to intellectual property infringement and respectfully requests removal of this warranty, Crowe is willing to indemnify the City for intellectual property infringement using mutually acceptable language.</p> <p>Finally, Crowe utilizes certain third party providers which are owned or controlled by Crowe and we seek inclusion of the following clarifying language in the final agreement:</p> <p>“Crowe uses third-party providers in the ordinary course of Crowe business operations. Third-party providers used in the ordinary course of Crowe business operations include without limitation email providers, cyber-security providers, and data hosting centers. Crowe also uses its subsidiaries (owned and controlled by Crowe) within and outside the United States for various administrative and support roles. Crowe subsidiaries and any third-party providers used in the ordinary course of Crowe business operations will meet the confidentiality and data protection requirements in this Agreement. The limitations in this Agreement on Client’s remedies will also apply to any such third-party providers and Crowe subsidiaries.”</p> <p>Justification: Certain materials generated by Crowe during the course of performing services must, based upon applicable professional standards, be owned by Crowe. In order to properly reflect professional standards and the services being performed, Crowe seeks to include our standard provisions concerning ownership, vesting certain ownership in Crowe, with the statement of work expressly specifying any materials that are to be owned by the City. Additionally, because Crowe uses certain providers for support-related services for our business, we seek inclusion of the third party provider clause referenced above.</p>
<p><u>Exhibit C. General Contract Terms and Provisions, Section 7.1. Indemnification</u></p>	<p>To comply with the AICPA independence standards prohibiting an auditor from indemnifying a client for a client’s acts, the above indemnification provision will not require AUDITOR to indemnify the CITY, its officers, directors, employees, agents, subcontractors or suppliers for the accuracy or completeness of the CITY’s financial statements and controls.</p>
<p><u>Exhibit C. General Contract Terms and Provisions, Section 7.2. Insurance</u></p>	<p>Crowe seeks limited revisions to the insurance section to ensure the provisions are consistent with our policies in force.</p> <p>Crowe will also seek to limit the notice requirement in the event a policy is cancelled or modified without substitution of a substantially similar policy and that it would be Crowe (and not necessarily reflected in the policy language itself) that would provide any notice. In Section 7.2.5.2, Crowe seeks adjustment to reflect that only certain policies are designated as primary. Crowe is not able to provide copies of its insurance policies and cannot agree to any individual client approval for the level of Crowe deductibles or self-insured retentions. Accordingly, adjustments are required in Section 7.3 and Section 7.5.</p> <p>Justification: These changes are meant to capture the factual nature of the coverage in force and to protect the confidentiality of Crowe information.</p>
<p><u>Exhibit C. General Contract Terms and Provisions, Article VIII. Bonds</u></p>	<p>Crowe seeks to remove this section in its entirety as this section is not applicable to Crowe.</p> <p>Justification: This type of bonding requirement is not applicable to the type of professional services to be performed by Crowe for the City.</p>
<p><u>Exhibit C. General Contract Terms and Provisions, Section 13.18. No Third Party Beneficiaries</u></p>	<p>Crowe seeks to remove the “exception” concerning third party beneficiaries.</p> <p>Justification: There are no third-party beneficiaries under the potential agreement. Therefore, we seek removal of the opening clause of this section which states, “Except as may be specifically set forth in this Contract.”</p>
<p><u>Add: Limitations on Liability: Time Limit on Claims</u></p>	<p>Crowe requests inclusion of limitations on liability in the following form:</p> <p>“Crowe will not be liable for any special, indirect, consequential, incidental, exemplary or punitive damages, or for any lost profits, lost savings, or lost business opportunity, even if Crowe had reason to be aware of the possibility of such damages. Except where it is judicially determined that Crowe acted with recklessness or willful misconduct, and except for Crowe’s indemnity obligations under Section 7.1, Crowe’s liability and any liability of its personnel will not exceed the fees actually paid to Crowe under the applicable SOW, and a return of fees paid will be the exclusive remedy for any damages. In no event will any action against Crowe, arising from or relating to this Contract or the services, be brought after one (1) year after the date on which occurred the act or omission alleged to have been the cause of the injury alleged. The limitations of liability in this Section and in this Agreement generally will apply to the fullest extent allowed by law and will apply to any claim, liability, or damages, including without limitation to any claims, liabilities, or damages based in negligence or other tort, contract, warranty, indemnity, fiduciary principles, statute or common law. This provision will survive termination of this Agreement, in whole or in part.”</p>

<p><u>Add: Response to Legal Process</u></p>	<p>Crowe requests inclusion of a response to legal process clause, allowing for reasonable reimbursement for time and expenses, in the following form:</p> <p>“If Crowe is requested by Client, any third-party, or any other person or entity, by subpoena, investigation, other legal process, or other request to produce documents or testimony pertaining to Client or the Services, and Crowe is not named as a party in the proceeding, Client will pay Crowe for its professional time, plus out-of-pocket expenses, costs, and fees, as well as reasonable attorney fees, incurred in responding to such request.”</p>
<p><u>Add: Jury Trial Waiver</u></p>	<p>Crowe will seek to include a jury trial waiver.</p>
<p><u>Add: Crowe Global Network</u></p>	<p>Crowe requests the following inclusion of the description of our Crowe Global network affiliation as required by the California Board of Accountancy.</p> <p>“Crowe LLP and its subsidiaries are independent members of Crowe Global, a Swiss organization. “Crowe” is the brand used by the Crowe Global network and its member firms, but it is not a worldwide partnership. Crowe Global and each of its members are separate and independent legal entities and do not obligate each other. Crowe LLP and its subsidiaries are not responsible or liable for any acts or omissions of Crowe Global or any other Crowe Global members, and Crowe LLP and its subsidiaries specifically disclaim any and all responsibility or liability for acts or omissions of Crowe Global or any other Crowe Global member.</p> <p>Crowe Global does not render any professional services and does not have an ownership or partnership interest in Crowe LLP or any other member. Crowe Global and its other members are not responsible or liable for any acts or omissions of Crowe LLP and its subsidiaries and specifically disclaim any and all responsibility or liability for acts or omissions of Crowe LLP and its subsidiaries. Visit www.crowe.com/disclosure for more information about Crowe LLP, its subsidiaries, and Crowe Global.”</p>

As a regulated professional services firm, Crowe must comply with various professional standards, including independence standards. As a result, Crowe reserves its right to make additional changes to any proposed agreement to ensure that Crowe remains in compliance with the applicable professional standards which govern Crowe and our services. Crowe understands that both parties reserve their respective rights to negotiate appropriate and mutually acceptable provisions prior to execution of any agreement should Crowe be considered for final negotiations.

We have also included our example engagement letter with our standard terms and conditions for convenience on the following pages.

Draft Engagement Letter Provided for Reference



Crowe LLP
Independent Member Crowe Global

650 Town Center Drive, Suite 740
Costa Mesa, CA 92626-7192
Tel 714-668-1234
Fax 714-668-1235
www.crowe.com

February 28, 2024

Mr. Rolando Charvel
City of San Diego
202 C St
San Diego, CA 92101

Dear Mr. Charvel:

This letter confirms the arrangements for Crowe LLP ("Crowe" or "us" or "we" or "our") to provide the professional services discussed in this letter to City of San Diego and its subsidiaries and affiliates (collectively "you", "your" or "Client").

This letter should be read in conjunction with the professional services agreement between the Client on behalf of itself and its subsidiaries and affiliates and Crowe LLP entered into on ____.

AUDIT SERVICES

Our Responsibilities

We will audit and report on the financial statements of the Client for the year ending June 30, 2024.

We will audit and report on the basic financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the Client on June 30, 2024 and for the year then ending, and the related notes to the financial statements, which collectively comprise the basic financial statements of the Client for the period(s) indicated.

Required Supplementary Information

In addition to our report on the financial statements, we will perform specified procedures in order to describe in our report whether the required supplementary information is presented in accordance with applicable guidelines. However, we will not express an opinion or provide any assurance on this information due to our limited procedures.

Supplementary Information

In addition to our report on the financial statements, we will evaluate the presentation of the supplementary information in relation to the financial statements as a whole, and to report on whether this supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

The document will also include the following additional information that will not be subjected to the auditing procedures applied in our audit of the financial statements, and for which our auditor's report will disclaim an opinion:

- Introductory Section of the Annual Comprehensive Financial Report
- Statistical Section of the Annual Comprehensive Financial Report

The objective of the audit is the expression of an opinion on the financial statements. We will plan and perform the audit in accordance with auditing standards generally accepted in the United States of America, the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards require that we obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement whether caused by error or fraud, and that we report on the Schedule of Expenditures of Federal Awards, and on your compliance with laws and regulations and on its internal controls as required for a Single Audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Because of inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements may not be detected exists, even though the audit is properly planned and performed in accordance with applicable standards. An audit is not designed to detect error or fraud that is immaterial to the financial statements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment including the assessment of the risks that the financial statements could be misstated by an amount that we believe would influence the judgment made by a reasonable user of these financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

In making our risk assessments, we obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Client's internal control. However, we will communicate in writing to those charged with governance and management concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit. We will communicate to management other deficiencies in internal control identified during the audit that have not been communicated to management by other parties and that, in our professional judgment, are of sufficient importance to merit management's attention. We will also communicate certain matters related to the conduct of the audit to those charged with governance, including (1) fraud involving senior management, and fraud (whether caused by senior management or other employees) that causes a material misstatement of the financial statements, (2) illegal acts that come to our attention (unless they are clearly inconsequential) (3) disagreements with management and other significant difficulties encountered in performing the audit and (4) various matters related to the Client's accounting policies and financial statements. Our engagement is not designed to address legal or regulatory matters, which matters should be discussed by you with your legal counsel.

As part of our audit, we will conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Client's ability to continue as a going concern for a reasonable period of time.

We expect to issue a written report upon completion of our audit of the Client's financial statements. Our report will be addressed to those charged with governance of the Client. Circumstances may arise in which it is necessary for us to modify our opinion, add an emphasis of matter or other matter paragraph or a separate section in the auditor's report, or withdraw from the engagement.

In addition to our report on the financial statements and supplemental information, we plan to issue the following reports:

- **Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*** — The purpose of this report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Client's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. We expect to issue this report for the City.
- **Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance** – The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose. We expect to issue this report for the City.

We will also perform tests of controls including testing underlying transactions, as required by the Uniform Guidance, to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each of your major federal awards programs. We will determine major programs in accordance with the Uniform Guidance. Our tests will be less in scope than would be necessary to render an opinion on these controls and, accordingly, no opinion will be expressed. We will inform you of any non-reportable conditions or other matters involving internal control, if any, as required by the Uniform Guidance.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will also perform tests of your compliance with applicable laws, regulations, contracts and grants. However, because of the concept of reasonable assurance and because we will not perform a detailed examination of all transactions, there is a risk that material errors, irregularities, or illegal acts, including fraud or defalcations, may exist and not be detected by us. However, the objective of our audit of compliance relative to the financial statements will not be to provide an opinion on overall compliance with such provisions, and we will not express such an opinion. We will advise you, however, of any matters of that nature that come to our attention, unless they are clearly inconsequential.

The Uniform Guidance requires that we plan and perform the audit to obtain reasonable assurance about whether you have complied with certain provisions of laws, regulations, contracts and grants. Our procedures will consist of the applicable procedures described in the United States Office of Management and Budget (OMB) Compliance Supplement for the types of compliance requirements that could have a direct and material effect on each of your major programs. The purpose of our audit will be to express an opinion on your compliance with requirements applicable to major Federal award programs. Because an audit is designed to provide reasonable assurance, but not absolute assurance, the audit is not designed to detect immaterial violations or instances of noncompliance.

Our audit and work product are intended for the benefit and use of the Client only. The audit will not be planned or conducted in contemplation of reliance by any other party or with respect to any specific transaction and is not intended to benefit or influence any other party. Therefore, items of possible interest to a third party may not be specifically addressed or matters may exist that could be assessed differently by a third party.

The working papers for this engagement are the property of Crowe and constitute confidential information.

However, we may be requested to make certain working papers available to your oversight agency or grantors pursuant to authority given to them by law, regulation, or contract. If requested, access to such working papers will be provided under the supervision of our personnel. Furthermore, upon request, we may provide photocopies of selected working papers to your oversight agency or grantors. The working papers for this engagement will be retained for a minimum of four years after the date our report is issued or for any additional period requested by the oversight agency or pass-through entity. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party contesting the audit finding for guidance prior to destroying the working papers.

Government Auditing Standards require that we provide you with a copy of our most recent peer review report, which accompanies this letter.

As a regulated professional services firm, Crowe must follow professional standards when applicable, including the Code of Professional Conduct of the American Institute of Certified Public Accountants ("AICPA"). Crowe reserves the right to, in whole or in part, decline to perform services if information comes to its attention indicating that performing any services could cause Crowe to be in violation of applicable law, regulations or standards.

Crowe ("the Firm") and certain owners of the Firm are licensed by the California State Board of Accountancy. However, the Firm has owners not licensed by the California State Board of Accountancy who may provide Services under this agreement. If Client has any questions regarding licensure of the personnel performing Services under this engagement, please do not hesitate to contact Crowe.

The Client's Responsibilities

The Client's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error or fraud.

The Client's management is also responsible for complying with applicable laws, regulations, contracts and grants and such responsibility extends to identifying the requirements and designing internal control policies and procedures to provide reasonable assurance that compliance is achieved. Additionally, as required by the Uniform Guidance, it is management's responsibility to follow up and take corrective action on reported audit findings and to prepare a summary schedule of prior audit findings, which should be available for our review, and a corrective action plan.

Additionally, as required by the Uniform Guidance, it is management's responsibility to follow up and take corrective action on reported audit findings and to prepare a summary schedule of prior audit findings, which should be available for our review, and a corrective action plan.

Management has the responsibility to adopt sound accounting policies, maintain an adequate and efficient accounting system, to safeguard assets, and to design and implement programs and controls to prevent and detect fraud. Management's judgments are typically based on its knowledge and experience about past and current events and its expected courses of action. Management's responsibility for financial reporting includes establishing a process to prepare the accounting estimates included in the financial statements and to devise policies to ensure that the Client complies with applicable laws and regulations.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Client's ability to continue as a going concern for one year from the date the Financial Statements are available to be issued. Management is responsible for providing to us, on a timely basis, all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters. Management is also responsible for providing such other additional information we may request for the purpose of the audit, and unrestricted access to persons within the Client from whom we determine it necessary to obtain audit evidence. Additionally, those charged with governance are responsible for informing us of their views about the risks of fraud within the Client, and their knowledge of any fraud or suspected fraud affecting the Client.

Management is responsible for adjusting the financial statements to correct material misstatements related to accounts or disclosures. As part of our audit process, we will request from management written confirmation concerning representations made to us in connection with the audit, including that the effects of any uncorrected misstatements aggregated by us during the audit are immaterial, both individually and in the aggregate, to the financial statements, and to the Client's compliance with the requirements of its Federal programs. Management acknowledges the importance of management's representations and responses to our inquiries, and that they will be utilized as part of the evidential matter we will rely on in forming our opinion. Because of the importance of such information to our engagement, you agree to waive any claim against Crowe and its personnel for any liability and costs relating to or arising from any inaccuracy or incompleteness of information provided to us for purposes of this engagement.

Management is responsible for the preparation of the supplementary information identified above in accordance with the applicable criteria. As part of our audit process, we will request from management certain written representations regarding management's responsibilities in relation to the supplementary information presented, including but not limited to its fair presentation in accordance with the applicable criteria, the method of measurement and presentation and any significant assumptions or interpretations underlying the supplementary information. In addition, it is management's responsibility to include the auditor's report on supplementary information in any document that contains the supplementary information and that indicates that we have reported on such supplementary information. It is also management's responsibility to present the supplementary information with the audited financial statements or, if the supplementary information will not be presented with the audited financial statements, to make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance by Client of the supplementary information and the auditor's report thereon.

Management is responsible for the preparation of the required supplementary information identified above in accordance with the applicable guidelines. We will request from management certain written representations regarding management's responsibilities in relation to the required supplementary information presented, including but not limited to whether it has been measured and presented in accordance with prescribed guidelines, the method of measurement and presentation and any significant assumptions or interpretations underlying the supplementary information.

At the conclusion of the engagement, it is management's responsibility to submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditor's reports, and corrective action plan) along with the Data Collection Form to the designated federal clearinghouse and, if appropriate, to pass-through entities. The Data Collection Form and the reporting package must be submitted within the earlier of thirty days after receipt of the auditor's reports or nine months after the end of the audit period.

OTHER SERVICES

Data Collection Form input services

We will provide assistance in completing sections of the Data Collection Form (DCF) relative to its federal award programs pursuant to the requirements of Section §200.512 of the Uniform Guidance that are promulgated to be completed by the Client. While we may provide this data entry service and assist you in satisfying your electronic data communication requirements to the Federal Audit Clearinghouse, the completeness and accuracy of this information remains the responsibility of your management.

With respect to the above other services, we will perform the services in accordance with applicable professional standards. We, in our sole professional judgment, reserve the right to refuse to do any procedure or take any action that could be construed as making management decisions or assuming management responsibilities. In connection with performing the above other services, you agree to: assume all management responsibilities including making all management decisions; oversee the service by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, and/or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services.

BOND OFFERINGS

With respect to any official statements issued by the Client with which Crowe is not involved, the official statement should indicate that the auditor is not involved with the contents of such official statement. The disclosure should read as:

“Crowe, our independent auditor, has not been engaged to perform and has not performed, since the date of its report included herein any procedures on the financial statements addressed in that report. Crowe also has not performed any procedures relating to this official statement.”

In delivering services to Client, Crowe may use subsidiaries owned and controlled by Crowe within and outside the United States. Crowe subsidiaries are subject to the same information security policies and requirements as Crowe LLP and will meet the requirements set forth in the confidentiality and data protection provisions of this Agreement.

FEES

For Crowe to provide Services effectively and efficiently, Client agrees to provide Crowe timely with information requested and to make available to Crowe any personnel, systems, premises, records, or other information as reasonably requested by Crowe to perform the Services. Access to such personnel and information are key elements for Crowe’s successful completion of Services and determination of fees. If for any reason this does not occur, a revised fee to reflect additional time or resources required by Crowe will be mutually agreed. Client agrees Crowe will have no responsibility for any delays related to a delay in providing such information to Crowe. Such information will be accurate and complete, and Client will inform Crowe of all significant tax, accounting and financial reporting matters of which Client is aware.

We will invoice you as our services are rendered.

Because each year is a separate engagement, we will require execution of a new engagement letter annually.

The Client and Crowe agree that the Client may periodically request Crowe to provide additional services for accounting and reporting advice regarding completed transactions and potential or proposed transactions.

MISCELLANEOUS

For purposes of this Miscellaneous section, the Acceptance section below, "Client" will mean the entity(ies) defined in the first paragraph of this letter and will also include all related parents, subsidiaries, and affiliates of Client who may receive or claim reliance upon any Crowe deliverable.

Crowe will provide the services to Client under this Agreement as an independent contractor and not as Client's partner, agent, employee, or joint venturer under this Agreement. Neither Crowe nor Client will have any right, power or authority to bind the other party.

This engagement letter agreement (the "Agreement") and the Professional Services Agreement to which it is attached, together constitute the entire agreement between the parties relating to the services (or any reports, deliverables or other work product) covered by this Agreement. The engagement letter and any attachments are to be construed as a single document, with the provisions of each section applicable throughout. This Agreement may not be amended or varied except by a written document signed by each party. No provision of this Agreement will be deemed waived, unless such waiver will be in writing and signed by the party against which the waiver is sought to be enforced. It replaces and supersedes any other proposals, correspondence, agreements and understandings, whether written or oral, relating to the services covered by this letter, and each party agrees that in entering this Agreement, it has not relied on any oral or written representations, statements or other information not contained in or incorporated into this Agreement. Any non-disclosure or other confidentiality agreement is replaced and superseded by this Agreement. Each party shall remain obligated to the other party under all provisions of this Agreement that expressly or by their nature extend beyond and survive the expiration or termination of this Agreement. If any provision (in whole or in part) of this Agreement is found unenforceable or invalid, this will not affect the remainder of the provision or any other provisions in this Agreement, all of which will continue in effect as if the stricken portion had not been included. This Agreement may be executed in two or more actual, scanned, emailed, or electronically copied counterparts, each and all of which together are one and the same instrument. Accurate transmitted copies (transmitted copies are reproduced documents that are sent via mail, delivery, scanning, email, photocopy, facsimile or other process) of the executed Agreement or signature pages only (whether handwritten or electronic signature), will be considered and accepted by each party as documents equivalent to original documents and will be deemed valid, binding and enforceable by and against all parties. This Agreement, including any dispute arising out of or related to this Agreement and the parties' relationship generally, will be governed and construed in accordance with the laws of the State of California applicable to agreements made and wholly performed in that state, without giving effect to its conflict of laws rules to the extent those rules would require applying another jurisdiction's laws.

* * * * *

We are pleased to have this opportunity to serve you, and we look forward to a continuing relationship. If the terms of this letter are acceptable to you, please sign below and return one copy of this letter at your earliest convenience. Please contact us with any questions or concerns.

(Signature Page follows)

ACCEPTANCE

I have reviewed the arrangements outlined above, and I accept on behalf of the Client the terms and conditions as stated. By signing below, I represent and warrant that I am authorized by Client to accept the terms and conditions as stated.

IN WITNESS WHEREOF, Client and Crowe have duly executed this engagement letter effective the date first written above.

Crowe LLP and the Engagement Authorized Signer below are licensed or otherwise authorized by the California Board of Accountancy.

City of San Diego

Crowe LLP

Signature

Signature

Katherine Lai

Printed Name

Printed Name

Partner

Title

Title

Date

Date



2.3 Contractor Standards Pledge of Compliance Form

We have provided our **Contractor Standards Pledge of Compliance** form on the following pages.

Due to varying file types, these pages will not display on the Table of Contents.

City of San Diego
CONTRACTOR STANDARDS
Pledge of Compliance

The City of San Diego has adopted a Contractor Standards Ordinance (CSO) codified in section 22.3004 of the San Diego Municipal Code (SDMC). The City of San Diego uses the criteria set forth in the CSO to determine whether a contractor (bidder or proposer) has the capacity to fully perform the contract requirements and the business integrity to justify the award of public funds. This completed Pledge of Compliance signed under penalty of perjury must be submitted with each bid and proposal. If an informal solicitation process is used, the bidder must submit this completed Pledge of Compliance to the City prior to execution of the contract. All responses must be typewritten or printed in ink. If an explanation is requested or additional space is required, Contractors must provide responses on Attachment A to the Pledge of Compliance and sign each page. Failure to submit a signed and completed Pledge of Compliance may render a bid or proposal non-responsive. In the case of an informal solicitation or cooperative procurement, the contract will not be awarded unless a signed and completed Pledge of Compliance is submitted. A submitted Pledge of Compliance is a public record and information contained within will be available for public review except to the extent that such information is exempt from disclosure pursuant to applicable law.

By signing and submitting this form, the contractor is certifying, to the best of their knowledge, that the contractor and any of its Principals have not within a five (5) year period – preceding this offer, been convicted of or had a civil judgement rendered against them for commission of a fraud or a criminal offense in connection with obtaining, attempting to obtain or performing a public (Federal, State or local) contract or subcontract.

“Principal” means an officer, director, owner, partner or a person having primary management or supervisory responsibilities within the firm. The Contractor shall provide immediate written notice to the Procurement Contracting Officer handling the solicitation, at any time prior to award should they learn that this Representations and Certifications was inaccurate or incomplete.

This form contains 10 pages, additional information may be submitted as part of Attachment A.

A. BID/PROPOSAL/SOLICITATION TITLE:

Annual Audit Services Related to the Annual Comprehensive Financial Report (ACFR), Single Audit and Other Audit Services

B. BIDDER/PROPOSER INFORMATION:

Crowe LLP			
Legal Name		DBA	
650 Town Center Drive, Suite 740	Costa Mesa	California	92626
Street Address	City	State	Zip
650 Town Center Drive, Suite 740	(714) 668-5376	(714) 668-1235	
Contact Person, Title	Phone	Fax	

Provide the name, identity, and precise nature of the interest* of all persons who are directly or indirectly involved** in this proposed transaction (SDMC § 21.0103). Use additional pages if necessary.

* The precise nature of the interest includes:

- the percentage ownership interest in a party to the transaction,
- the percentage ownership interest in any firm, corporation, or partnership that will receive funds from the transaction,
- the value of any financial interest in the transaction,
- any contingent interest in the transaction and the value of such interest should the contingency be satisfied, and
- any philanthropic, scientific, artistic, or property interest in the transaction.

** Directly or indirectly involved means pursuing the transaction by:

- communicating or negotiating with City officers or employees,
- submitting or preparing applications, bids, proposals or other documents for purposes of contracting with the City, or
- directing or supervising the actions of persons engaged in the above activity.

Katherine V. Lai	Partner - Crowe LLP
Name	Title/Position
Costa Mesa, California	
City and State of Residence	Employer (if different than Bidder/Proposer)
Less than 1% interest in Crowe LLP	
Interest in the transaction	
Name	Title/Position
City and State of Residence	Employer (if different than Bidder/Proposer)
Interest in the transaction	
Name	Title/Position
City and State of Residence	Employer (if different than Bidder/Proposer)
Interest in the transaction	
Name	Title/Position
City and State of Residence	Employer (if different than Bidder/Proposer)
Interest in the transaction	
Name	Title/Position
City and State of Residence	Employer (if different than Bidder/Proposer)
Interest in the transaction	
Name	Title/Position
City and State of Residence	Employer (if different than Bidder/Proposer)
Interest in the transaction	

Name	Title/Position
City and State of Residence	Employer (if different than Bidder/Proposer)
Interest in the transaction	
Name	Title/Position
City and State of Residence	Employer (if different than Bidder/Proposer)
Interest in the transaction	
Name	Title/Position
City and State of Residence	Employer (if different than Bidder/Proposer)
Interest in the transaction	

C. OWNERSHIP AND NAME CHANGES:

1. In the past five (5) years, has your firm changed its name?
 Yes **No**

If **Yes**, use Attachment A to list all prior legal and DBA names, addresses, and dates each firm name was used. Explain the specific reasons for each name change.

2. Is your firm a non-profit?
 Yes **No**

If **Yes**, attach proof of status to this submission.

3. In the past five (5) years, has a firm owner, partner, or officer operated a similar business?
 Yes **No**

If **Yes**, use Attachment A to list names and addresses of all businesses and the person who operated the business. Include information about a similar business only if an owner, partner, or officer of your firm holds or has held a similar position in another firm.

D. BUSINESS ORGANIZATION/STRUCTURE:

Indicate the organizational structure of your firm. Fill in only one section on this page. Use Attachment A if more space is required.

Corporation Date incorporated: _____ State of incorporation: _____

List corporation's current officers: President: _____
Vice Pres: _____
Secretary: _____
Treasurer: _____

Type of corporation: C Subchapter S

Is the corporation authorized to do business in California: **Yes** **No**

If **Yes**, after what date: _____

Is your firm a publicly traded corporation? Yes No

If Yes, how and where is the stock traded? _____

If Yes, list the name, title and address of those who own ten percent (10 %) or more of the corporation's stocks:

Do the President, Vice President, Secretary and/or Treasurer of your corporation have a third party interest or other financial interests in a business/enterprise that performs similar work, services or provides similar goods? Yes No

If Yes, please use Attachment A to disclose.

Please list the following: Authorized Issued Outstanding

- a. Number of voting shares: _____
- b. Number of nonvoting shares: _____
- c. Number of shareholders: _____
- d. Value per share of common stock:

Par	\$ <u>California</u>
Book	\$ _____
Market	\$ _____

Limited Liability Company Date formed: _____ State of formation: _____

List the name, title and address of members who own ten percent (10%) or more of the company:

Partnership Date formed: 04/01/1942 State of formation: Indiana

List names of all firm partners:

Crowe LLP has approximately 500 partners/principals, however, Katherine V. Lai, will be your primary contact. Additional information regarding Crowe's Leadership can be found at <https://www.crowe.com/about-us/leadership>. If awarded and necessary, Crowe would be glad to provide a complete list of partners in the firm.

Sole Proprietorship Date started: _____

List all firms you have been an owner, partner or officer with during the past five (5) years. Do not include ownership of stock in a publicly traded company:

Joint Venture Date formed: _____

List each firm in the joint venture and its percentage of ownership:

Note: To be responsive, each member of a Joint Venture or Partnership must complete a separate *Contractor Standards form*.

E. FINANCIAL RESOURCES AND RESPONSIBILITY:

1. Is your firm preparing to be sold, in the process of being sold, or in negotiations to be sold?

- Yes** **No**

If **Yes**, use Attachment A to explain the circumstances, including the buyer's name and principal contact information.

2. In the past five (5) years, has your firm been denied bonding?

- Yes** **No**

If **Yes**, use Attachment A to explain specific circumstances; include bonding company name.

3. In the past five (5) years, has a bonding company made any payments to satisfy claims made against a bond issued on your firm's behalf or a firm where you were the principal?

- Yes** **No**

If **Yes**, use Attachment A to explain specific circumstances.

4. In the past five (5) years, has any insurance carrier, for any form of insurance, refused to renew the insurance policy for your firm?

- Yes** **No**

If **Yes**, use Attachment A to explain specific circumstances.

5. Within the last five years, has your firm filed a voluntary petition in bankruptcy, been adjudicated bankrupt, or made a general assignment for the benefit of creditors?

- Yes** **No**

If **Yes**, use Attachment A to explain specific circumstances.

6. Are there any claims, liens or judgements that are outstanding against your firm?

- Yes** **No**

If **Yes**, please use Attachment A to provide detailed information on the action.

7. Please provide the name of your principal financial institution for financial reference. By submitting a response to this Solicitation Contractor authorizes a release of credit information for verification of financial responsibility.

Name of Bank: BMO Harris Bank NA

Point of Contact: Joseph G. Jacob, Senior Vice President

Address: 155 West Nationwide Blvd, Suite 500

Phone Number: (312) 461-3608

8. By submitting a response to a City solicitation, Contractor certifies that he or she has sufficient operating capital and/or financial reserves to properly fund the requirements identified in the solicitation. At City's request, Contractor will promptly provide to City

a copy of Contractor's most recent balance sheet and/or other necessary financial statements to substantiate financial ability to perform.

9. In order to do business in the City of San Diego, a current Business Tax Certificate is required. Business Tax Certificates are issued by the City Treasurer's Office. If you do not have one at the time of submission, one must be obtained prior to award.

Business Tax Certificate No.: B2018004254 Year Issued: March 1, 2023

F. PERFORMANCE HISTORY:

1. In the past five (5) years, has your firm been found civilly liable, either in a court of law or pursuant to the terms of a settlement agreement, for defaulting or breaching a contract with a government agency?

Yes No

If **Yes**, use Attachment A to explain specific circumstances.

2. In the past five (5) years, has a public entity terminated your firm's contract for cause prior to contract completion?

Yes No

If **Yes**, use Attachment A to explain specific circumstances and provide principal contact information.

3. In the past five (5) years, has your firm entered into any settlement agreement for any lawsuit that alleged contract default, breach of contract, or fraud with or against a public entity?

Yes No

If **Yes**, use Attachment A to explain specific circumstances.

4. Is your firm currently involved in any lawsuit with a government agency in which it is alleged that your firm has defaulted on a contract, breached a contract, or committed fraud?

Yes No

If **Yes**, use Attachment A to explain specific circumstances.

5. In the past five (5) years, has your firm, or any firm with which any of your firm's owners, partners, or officers is or was associated, been debarred, disqualified, removed, or otherwise prevented from bidding on or completing any government or public agency contract for any reason?

Yes No

If **Yes**, use *Attachment A* to explain specific circumstances.

6. In the past five (5) years, has your firm received a notice to cure or a notice of default on a contract with any public agency?

Yes No

If **Yes**, use Attachment A to explain specific circumstances and how the matter resolved.

7. Performance References:

Please provide a minimum of three (3) references familiar with work performed by your firm which was of a similar size and nature to the subject solicitation within the last five (5) years.

Please note that any references required as part of your bid/proposal submittal are in addition to those references required as part of this form.

Company Name: San Diego Association of Governments

Contact Name and Phone Number: Andre Douzdjian, Chief Financial Officer - 619.699.6931

Contact Email: Andre.Douzdjian@sandag.org

Address: 330 East Jefferson Boulevard, South Bend, Indiana 46624-0007

Contract Date: FY2018 – FY2022

Contract Amount: \$ 1,300,000.00

Requirements of Contract: GFOA ACFR, Federal Program Compliance, Fund and Component Unit Audits, Agreed Upon Procedures, TDA Claimant Audits

Company Name: San Diego Unified School District

Contact Name and Phone Number: Jodie Macalos, Executive Director, Finance - 619.725.7646

Contact Email: jmacalos@sandi.net

Address: 4100 Normal Street, San Diego, CA 92103

Contract Date: FY 2015 - Present

Contract Amount: \$ 1,300,000.00

Requirements of Contract: Financial Statements, Federal Program Compliance, State Compliance, Bond Audits

Company Name: City of Las Vegas

Contact Name and Phone Number: Arianna Rodriguez Mora, Accounting Manager - 702.229.6802

Contact Email: armora@lasvegasnevada.gov

Address: 495 S. Main St. Las Vegas, NV 89101

Contract Date: FY 2021 - Present

Contract Amount: \$ 900,000.00

Requirements of Contract: GFOA ACFR, Federal Program Compliance, Redevelopment Agency Financials

G. COMPLIANCE:

1. In the past five (5) years, has your firm or any firm owner, partner, officer, executive, or manager been criminally penalized or found civilly liable, either in a court of law or pursuant to the terms of a settlement agreement, for violating any federal, state, or local law in performance of a contract, including but not limited to, laws regarding health and safety, labor and employment, permitting, and licensing laws?

Yes No

If **Yes**, use Attachment A to explain specific circumstances surrounding each instance. Include the name of the entity involved, the specific infraction(s) or violation(s), dates of instances, and outcome with current status.

2. In the past five (5) years, has your firm been determined to be non-responsible by a public entity?

Yes No

If **Yes**, use Attachment A to explain specific circumstances of each instance. Include the name of the entity involved, the specific infraction, dates, and outcome.

H. BUSINESS INTEGRITY:

1. In the past five (5) years, has your firm been convicted of or found liable in a civil suit for making a false claim or material misrepresentation to a private or public entity?

Yes **No**

If **Yes**, use Attachment A to explain specific circumstances of each instance. Include the entity involved, specific violation(s), dates, outcome and current status.

2. In the past five (5) years, has your firm or any of its executives, management personnel, or owners been convicted of a crime, including misdemeanors, or been found liable in a civil suit involving the bidding, awarding, or performance of a government contract?

Yes **No**

If **Yes**, use Attachment A to explain specific circumstances of each instance; include the entity involved, specific infraction(s), dates, outcome and current status.

3. In the past five (5) years, has your firm or any of its executives, management personnel, or owners been convicted of a federal, state, or local crime of fraud, theft, or any other act of dishonesty?

Yes **No**

If **Yes**, use Attachment A to explain specific circumstances of each instance; include the entity involved, specific infraction(s), dates, outcome and current status.

4. Do any of the Principals of your firm have relatives that are either currently employed by the City or were employed by the City in the past five (5) years?

Yes **No**

If **Yes**, please disclose the names of those relatives in Attachment A.

I. BUSINESS REPRESENTATION:

1. Are you a local business with a physical address within the County of San Diego?

Yes **No**

2. Are you a certified Small and Local Business Enterprise certified by the City of San Diego?

Yes **No**

Certification # _____

3. Are you certified as any of the following:

- a. Disabled Veteran Business Enterprise Certification # _____
- b. Woman or Minority Owned Business Enterprise Certification # _____
- c. Disadvantaged Business Enterprise Certification # _____

J. WAGE COMPLIANCE:

In the past five (5) years, has your firm been required to pay back wages or penalties for failure to comply with the federal, state or local **prevailing, minimum, or living wage laws**? **Yes** **No** If **Yes**, use Attachment A to explain the specific circumstances of each instance. Include the entity involved, the specific infraction(s), dates, outcome, and current status.

By signing this Pledge of Compliance, your firm is certifying to the City that you will comply with the requirements of the Equal Pay Ordinance set forth in SDMC sections 22.4801 through 22.4809.

K. STATEMENT OF SUBCONTRACTORS & SUPPLIERS:

Please provide the names and information for all subcontractors and suppliers used in the performance of the proposed contract, and what portion of work will be assigned to each subcontractor. Subcontractors may not be substituted without the written consent of the City. Use Attachment A if additional pages are necessary. If no subcontractors or suppliers will be used, please write "Not Applicable."

Company Name: _____

Address: _____

Contact Name: _____ Phone: _____ Email: _____

Contractor License No.: _____ DIR Registration No.: _____

Sub-Contract Dollar Amount: \$_____ (per year) \$_____ (total contract term)

Scope of work subcontractor will perform: _____

Identify whether company is a subcontractor or supplier: _____

Certification type (check all that apply): DBE DVBE ELBE MBE SLBE WBE Not Certified

Contractor must provide valid proof of certification with the response to the bid or proposal to receive participation credit.

Company Name: _____

Address: _____

Contact Name: _____ Phone: _____ Email: _____

Contractor License No.: _____ DIR Registration No.: _____

Sub-Contract Dollar Amount: \$_____ (per year) \$_____ (total contract term)

Scope of work subcontractor will perform: _____

Identify whether company is a subcontractor or supplier: _____

Certification type (check all that apply): DBE DVBE ELBE MBE SLBE WBE Not Certified

Contractor must provide valid proof of certification with the response to the bid or proposal to receive participation credit.

L. STATEMENT OF AVAILABLE EQUIPMENT:

A full inventoried list of all necessary equipment to complete the work specified may be a requirement of the bid/proposal submission.

By signing and submitting this form, the Contractor certifies that all required equipment included in this bid or proposal will be made available one week (7 days) before work shall commence. In instances where the required equipment is not owned by the Contractor, Contractor shall explain how the equipment will be made available before the commencement of work. The City of San

Diego reserves the right to reject any response, in its opinion, if the Contractor has not demonstrated he or she will be properly equipped to perform the work in an efficient, effective matter for the duration of the contract period.

M. TYPE OF SUBMISSION: This document is submitted as:

- Initial submission of *Contractor Standards Pledge of Compliance*
- Initial submission of *Contractor Standards Pledge of Compliance* as part of a Cooperative agreement
- Initial submission of *Contractor Standards Pledge of Compliance* as part of a Sole Source agreement
- Update of prior *Contractor Standards Pledge of Compliance* dated 12/01/2022_____.

Complete all questions and sign below.

Under penalty of perjury under the laws of the State of California, I certify that I have read and understand the questions contained in this Pledge of Compliance, that I am responsible for completeness and accuracy of the responses contained herein, and that all information provided is true, full and complete to the best of my knowledge and belief. I agree to provide written notice to the Purchasing Agent within five (5) business days if, at any time, I learn that any portion of this Pledge of Compliance is inaccurate. Failure to timely provide the Purchasing Agent with written notice is grounds for Contract termination.

I, on behalf of the firm, further certify that I and my firm will comply with the following provisions of SDMC section 22.3004:

(a) I and my firm will comply with all applicable local, State and Federal laws, including health and safety, labor and employment, and licensing laws that affect the employees, worksite or performance of the contract.

(b) I and my firm will notify the Purchasing Agent in writing within fifteen (15) calendar days of receiving notice that a government agency has begun an investigation of me or my firm that may result in a finding that I or my firm is or was not in compliance with laws stated in paragraph (a).

(c) I and my firm will notify the Purchasing Agent in writing within fifteen (15) calendar days of a finding by a government agency or court of competent jurisdiction of a violation by the Contractor of laws stated in paragraph (a).

(d) I and my firm will notify the Purchasing Agent in writing within fifteen (15) calendar days of becoming aware of an investigation or finding by a government agency or court of competent jurisdiction of a violation by a subcontractor of laws stated in paragraph (a).

(e) I and my firm will cooperate fully with the City during any investigation and to respond to a request for information within ten (10) working days.

Failure to sign and submit this form with the bid/proposal shall make the bid/proposal non-responsive. In the case of an informal solicitation, the contract will not be awarded unless a signed and completed *Pledge of Compliance* is submitted.

Katherine V. Lai, Partner
Name and Title


Signature

February 28, 2024
Date

**City of San Diego
CONTRACTOR STANDARDS
Attachment "A"**

Provide additional information in space below. Use additional Attachment "A" pages as needed. Each page must be signed. Print in ink or type responses and indicate question being answered.

Section C, Question 1

In June 2018, Crowe changed its name from Crowe Horwath LLP to Crowe LLP. This is a name change only and not a change in legal structure or legal entity.

For a more detailed Firm History, please visit <https://www.crowe.com/news/crowe-history>

I have read the matters and statements made in this Contractor Standards Pledge of Compliance and attachments thereto and I know the same to be true of my own knowledge, except as to those matters stated upon information or belief and as to such matters, I believe the same to be true. I certify under penalty of perjury that the foregoing is true and correct.

Katherine V. Lai, Partner

Print Name, Title

Katherine V. Lai

Signature

February 28, 2024

Date



2.4 Equal Opportunity Contracting Forms

We have provided the completed **BB. Equal Opportunity Contracting (EOC) - Work Force Report** and **AA. Contractors Certification of Pending Actions** forms on the following pages.

Due to varying file types, these pages will not display on the Table of Contents.

EQUAL OPPORTUNITY CONTRACTING (EOC)

1200 Third Avenue, Suite 200 • San Diego, CA 92101
Phone: (619) 236-6000 • Fax: (619) 236-5904

WORK FORCE REPORT

The objective of the *Equal Employment Opportunity Outreach Program*, San Diego Municipal Code Sections 22.3501 through 22.3517, is to ensure that contractors doing business with the City, or receiving funds from the City, do not engage in unlawful discriminatory employment practices prohibited by State and Federal law. Such employment practices include, but are not limited to unlawful discrimination in the following: employment, promotion or upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination, rate of pay or other forms of compensation, and selection for training, including apprenticeship. Contractors are required to provide a completed *Work Force Report (WFR)*.

**NO OTHER FORMS WILL BE ACCEPTED
CONTRACTOR IDENTIFICATION**

Type of Contractor: Construction Vendor/Supplier Financial Institution Lessee/Lessor
 Consultant Grant Recipient Insurance Company Other

Name of Company: Crowe LLP

ADA/DBA: _____

Address (Corporate Headquarters, where applicable): 225 West Wacker Drive, Suite 2600

City: Chicago County: Cook State: Illinois Zip: 60606

Telephone Number: 312-899-7000 Fax Number: 312-899-5300

Name of Company CEO: Mark Baer

Address(es), phone and fax number(s) of company facilities located in San Diego County (if different from above):

Address: 155 West Nationwide Blvd, Suite 500

City: Columbus County: Franklin State: Ohio Zip: 43215

Telephone Number: 614-469-0001 Fax Number: 614-365-2222 Email: mark.baer@crowe.com

Type of Business: Public Accounting, Counseling and Technogy Type of License: State Board of Accounting

The Company has appointed: Shalini Rajoo, Talent Risk and Relations Director

As its Equal Employment Opportunity Officer (EEOO). The EEOO has been given authority to establish, disseminate and enforce equal employment and affirmative action policies of this company. The EEOO may be contacted at:

Address: 225 West Wacker Drive, Suite 2600, Chicago, IL 60606

Telephone Number: 615-515-5743 Fax Number: 574-235-6880 Email: shalini.rajoo@crowe.com

- One San Diego County (or Most Local County) Work Force - Mandatory
 Branch Work Force *
 Managing Office Work Force

Check the box above that applies to this WFR.

**Submit a separate Work Force Report for all participating branches. Combine WFRs if more than one branch per county.*

I, the undersigned representative of Crowe LLP

(Firm Name)

Orange and Los Angeles & Sacramento, California hereby certify that information provided

(County)

(State)

herein is true and correct. This document was executed on this 6th day of March, 2024

Katherine V. Lai

(Authorized Signature)

Katherine V. Lai

(Print Authorized Signature Name)

WORK FORCE REPORT – Page 2

NAME OF FIRM: Crowe LLP DATE: March 6, 2024

OFFICE(S) or BRANCH(ES): Costa Mesa COUNTY: Orange

INSTRUCTIONS: For each occupational category, indicate number of males and females in every ethnic group. Total columns in row provided. Sum of all totals should be equal to your total work force. Include all those employed by your company on either a full or part-time basis. The following groups are to be included in ethnic categories listed in columns below:

- (1) Black or African-American
- (2) Hispanic or Latino
- (3) Asian
- (4) American Indian or Alaska Native
- (5) Native Hawaiian or Pacific Islander
- (6) White
- (7) Other race/ethnicity; not falling into other groups

Definitions of the race and ethnicity categories can be found on Page 4

ADMINISTRATION OCCUPATIONAL CATEGORY	(1) Black or African American		(2) Hispanic or Latino		(3) Asian		(4) American Indian/ Nat. Alaskan		(5) Pacific Islander		(6) White		(7) Other Race/ Ethnicity	
	(M)	(F)	(M)	(F)	(M)	(F)	(M)	(F)	(M)	(F)	(M)	(F)	(M)	(F)
Management & Financial	0	0	0	1	5	4	0	0	0	1	5	2	0	0
Professional	0	0	2	1	15	12	0	0	0	0	8	4	1	0
A&E, Science, Computer	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Technical	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Sales	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Administrative Support	0	0	0	0	0	0	0	0	0	0	0	2	0	0
Services	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Crafts	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Operative Workers	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Transportation	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Laborers*	0	0	0	0	0	0	0	0	0	0	0	0	0	0

*Construction laborers and other field employees are not to be included on this page

Totals Each Column	0	0	2	2	20	16	0	0	0	1	13	8	1	0
--------------------	---	---	---	---	----	----	---	---	---	---	----	---	---	---

Grand Total All Employees

Indicate by Gender and Ethnicity the Number of Above Employees Who Are Disabled:

Disabled	0	0	0	0	0	0	0	0	0	0	0	0	0	0
----------	---	---	---	---	---	---	---	---	---	---	---	---	---	---

Non-Profit Organizations Only:

Board of Directors														
Volunteers														
Artists														

WORK FORCE REPORT – Page 3

NAME OF FIRM: Crowe LLP

DATE: March 6, 2024

OFFICE(S) or BRANCH(ES): Costa Mesa

COUNTY: Orange

INSTRUCTIONS: For each occupational category, indicate number of males and females in every ethnic group. Total columns in row provided. Sum of all totals should be equal to your total work force. Include all those employed by your company on either a full or part-time basis. The following groups are to be included in ethnic categories listed in columns below:

- (1) Black or African-American
- (2) Hispanic or Latino
- (3) Asian
- (4) American Indian or Alaska Native
- (5) Native Hawaiian or Pacific Islander
- (6) White
- (7) Other race/ethnicity; not falling into other groups

Definitions of the race and ethnicity categories can be found on Page 4

TRADE OCCUPATIONAL CATEGORY	(1) Black or African American		(2) Hispanic or Latino		(3) Asian		(4) American Indian/ Nat. Alaskan		(5) Pacific Islander		(6) White		(7) Other Race/ Ethnicity	
	(M)	(F)	(M)	(F)	(M)	(F)	(M)	(F)	(M)	(F)	(M)	(F)	(M)	(F)
	Brick, Block or Stone Masons													
Carpenters														
Carpet, Floor & Tile Installers Finishers														
Cement Masons, Concrete Finishers														
Construction Laborers														
Drywall Installers, Ceiling Tile Inst														
Electricians														
Elevator Installers														
First-Line Supervisors/Managers														
Glaziers														
Helpers; Construction Trade														
Millwrights														
Misc. Const. Equipment Operators														
Painters, Const. & Maintenance														
Pipelayers, Plumbers, Pipe & Steam Fitters														
Plasterers & Stucco Masons														
Roofers														
Security Guards & Surveillance Officers														
Sheet Metal Workers														
Structural Metal Fabricators & Fitters														
Welding, Soldering & Brazing Workers														
Workers, Extractive Crafts, Miners														

Totals Each Column														
--------------------	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Grand Total All Employees

0

Indicate By Gender and Ethnicity the Number of Above Employees Who Are Disabled:

Disabled														
----------	--	--	--	--	--	--	--	--	--	--	--	--	--	--

WORK FORCE REPORT – Page 2

NAME OF FIRM: Crowe LLP DATE: March 6, 2024

OFFICE(S) or BRANCH(ES): Los Angeles, Woodland Hills COUNTY: Los Angeles

INSTRUCTIONS: For each occupational category, indicate number of males and females in every ethnic group. Total columns in row provided. Sum of all totals should be equal to your total work force. Include all those employed by your company on either a full or part-time basis. The following groups are to be included in ethnic categories listed in columns below:

- (1) Black or African-American
- (2) Hispanic or Latino
- (3) Asian
- (4) American Indian or Alaska Native
- (5) Native Hawaiian or Pacific Islander
- (6) White
- (7) Other race/ethnicity; not falling into other groups

Definitions of the race and ethnicity categories can be found on Page 4

ADMINISTRATION OCCUPATIONAL CATEGORY	(1) Black or African American		(2) Hispanic or Latino		(3) Asian		(4) American Indian/ Nat. Alaskan		(5) Pacific Islander		(6) White		(7) Other Race/ Ethnicity	
	(M)	(F)	(M)	(F)	(M)	(F)	(M)	(F)	(M)	(F)	(M)	(F)	(M)	(F)
Management & Financial	2	3	1	2	7	6	0	0	1	0	23	14	3	0
Professional	2	0	4	2	16	22	0	0	0	0	16	20	2	3
A&E, Science, Computer	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Technical	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Sales	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Administrative Support	0	0	0	1	0	1	0	0	0	0	1	2	0	0
Services	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Crafts	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Operative Workers	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Transportation	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Laborers*	0	0	0	0	0	0	0	0	0	0	0	0	0	0

*Construction laborers and other field employees are not to be included on this page

Totals Each Column	4	3	5	5	23	29	0	0	1	0	40	36	5	3
--------------------	---	---	---	---	----	----	---	---	---	---	----	----	---	---

Grand Total All Employees

154

Indicate by Gender and Ethnicity the Number of Above Employees Who Are Disabled:

Disabled	1	0	0	0	1	0	0	0	0	0	0	3	0	0
----------	---	---	---	---	---	---	---	---	---	---	---	---	---	---

Non-Profit Organizations Only:

Board of Directors														
Volunteers														
Artists														

WORK FORCE REPORT – Page 3

NAME OF FIRM: Crowe LLP

DATE: March 6, 2024

OFFICE(S) or BRANCH(ES): Los Angeles, Woodland Hills

COUNTY: Los Angeles

INSTRUCTIONS: For each occupational category, indicate number of males and females in every ethnic group. Total columns in row provided. Sum of all totals should be equal to your total work force. Include all those employed by your company on either a full or part-time basis. The following groups are to be included in ethnic categories listed in columns below:

- (1) Black or African-American
- (2) Hispanic or Latino
- (3) Asian
- (4) American Indian or Alaska Native
- (5) Native Hawaiian or Pacific Islander
- (6) White
- (7) Other race/ethnicity; not falling into other groups

Definitions of the race and ethnicity categories can be found on Page 4

TRADE OCCUPATIONAL CATEGORY	(1) Black or African American		(2) Hispanic or Latino		(3) Asian		(4) American Indian/ Nat. Alaskan		(5) Pacific Islander		(6) White		(7) Other Race/ Ethnicity	
	(M)	(F)	(M)	(F)	(M)	(F)	(M)	(F)	(M)	(F)	(M)	(F)	(M)	(F)
Brick, Block or Stone Masons														
Carpenters														
Carpet, Floor & Tile Installers Finishers														
Cement Masons, Concrete Finishers														
Construction Laborers														
Drywall Installers, Ceiling Tile Inst														
Electricians														
Elevator Installers														
First-Line Supervisors/Managers														
Glaziers														
Helpers; Construction Trade														
Millwrights														
Misc. Const. Equipment Operators														
Painters, Const. & Maintenance														
Pipelayers, Plumbers, Pipe & Steam Fitters														
Plasterers & Stucco Masons														
Roofers														
Security Guards & Surveillance Officers														
Sheet Metal Workers														
Structural Metal Fabricators & Fitters														
Welding, Soldering & Brazing Workers														
Workers, Extractive Crafts, Miners														

Totals Each Column														
--------------------	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Grand Total All Employees

0

Indicate By Gender and Ethnicity the Number of Above Employees Who Are Disabled:

Disabled														
----------	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Work Force Report

HISTORY

The Work Force Report (WFR) is the document that allows the City of San Diego to analyze the work forces of all firms wishing to do business with the City. We are able to compare the firm's work force data to County Labor Force Availability (CLFA) data derived from the United States Census. CLFA data is a compilation of lists of occupations and includes the percentage of each ethnicity we track (American Indian or Alaska Native, Asian, Black or African-American, Native Hawaiian or Pacific Islander, White, and Other) for each occupation. Currently, our CLFA data is taken from the 2010 Census. In order to compare one firm to another, it is important that the data we receive from the consultant firm is accurate and organized in the manner that allows for this fair comparison.

WORK FORCE & BRANCH WORK FORCE REPORTS

When submitting a WFR, especially if the WFR is for a specific project or activity, we would like to have information about the firm's work force that is actually participating in the project or activity. That is, if the project is in San Diego and the work force is from San Diego, we want a San Diego County Work Force Report¹. By the same token, if the project is in San Diego, but the work force is from another county, such as Orange or Riverside County, we want a Work Force Report from that county². If participation in a San Diego project is by work forces from San Diego County and, for example, from Los Angeles County and from Sacramento County, we ask for separate Work Force Reports representing your firm from each of the three counties.

MANAGING OFFICE WORK FORCE

Equal Opportunity Contracting may occasionally ask for a Managing Office Work Force (MOWF) Report. This may occur in an instance where the firm involved is a large national or international firm but the San Diego or other local work force is very small. In this case, we may ask for both a local and a MOWF Report^{1, 3}. In another case, when work is done only by the Managing Office, only the MOWF Report may be necessary.³

TYPES OF WORK FORCE REPORTS:

Please note, throughout the preceding text of this page, the superscript numbers one ¹, two ² & three ³. These numbers coincide with the types of work force report required in the example. See below:

- ¹ One San Diego County (or Most Local County) Work Force – Mandatory in most cases
- ² Branch Work Force *
- ³ Managing Office Work Force

**Submit a separate Work Force Report for all participating branches. Combine WFRs if more than one branch per county.*

RACE/ETHNICITY CATEGORIES

American Indian or Alaska Native – A person having origins in any of the peoples of North and South America (including Central America) and who maintains tribal affiliation or community attachment.

Asian – A person having origins in any of the peoples of the Far East, Southeast Asia, or the Indian subcontinent including, for example, Cambodia, China, India, Japan, Korea, Malaysia, Pakistan, the Philippine Islands, Thailand, and Vietnam.

Black or African American – A person having origins in any of the Black racial groups of Africa.

Native Hawaiian or Pacific Islander – A person having origins in any of the peoples of Hawaii, Guam, Samoa, or other Pacific Islands.

White – A person having origins in any of the peoples of Europe, the Middle East, or North Africa.

Hispanic or Latino – A person of Cuban, Mexican, Puerto Rican, South or Central American, or other Spanish culture or origin.

Exhibit A: Work Force Report Job Categories – Administration

Refer to this table when completing your firm's Work Force Report form(s).

Management & Financial

Advertising, Marketing, Promotions, Public Relations, and Sales Managers
Business Operations Specialists
Financial Specialists
Operations Specialties Managers
Other Management Occupations
Top Executives

Professional

Art and Design Workers
Counselors, Social Workers, and Other Community and Social Service Specialists
Entertainers and Performers, Sports and Related Workers
Health Diagnosing and Treating Practitioners
Lawyers, Judges, and Related Workers
Librarians, Curators, and Archivists
Life Scientists
Media and Communication Workers
Other Teachers and Instructors
Postsecondary Teachers
Primary, Secondary, and Special Education School Teachers
Religious Workers
Social Scientists and Related Workers

Architecture & Engineering, Science, Computer

Architects, Surveyors, and Cartographers
Computer Specialists
Engineers
Mathematical Science Occupations
Physical Scientists

Technical

Drafters, Engineering, and Mapping Technicians
Health Technologists and Technicians
Life, Physical, and Social Science Technicians
Media and Communication Equipment Workers

Sales

Other Sales and Related Workers
Retail Sales Workers
Sales Representatives, Services
Sales Representatives, Wholesale and Manufacturing
Supervisors, Sales Workers

Administrative Support

Financial Clerks
Information and Record Clerks
Legal Support Workers

Material Recording, Scheduling, Dispatching, and Distributing Workers
Other Education, Training, and Library Occupations
Other Office and Administrative Support Workers
Secretaries and Administrative Assistants
Supervisors, Office and Administrative Support Workers

Services

Building Cleaning and Pest Control Workers
Cooks and Food Preparation Workers
Entertainment Attendants and Related Workers
Fire Fighting and Prevention Workers
First-Line Supervisors/Managers, Protective Service Workers
Food and Beverage Serving Workers
Funeral Service Workers
Law Enforcement Workers
Nursing, Psychiatric, and Home Health Aides
Occupational and Physical Therapist Assistants and Aides
Other Food Preparation and Serving Related Workers
Other Healthcare Support Occupations
Other Personal Care and Service Workers
Other Protective Service Workers
Personal Appearance Workers
Supervisors, Food Preparation and Serving Workers
Supervisors, Personal Care and Service Workers
Transportation, Tourism, and Lodging Attendants

Crafts

Construction Trades Workers
Electrical and Electronic Equipment Mechanics, Installers, and Repairers
Extraction Workers
Material Moving Workers
Other Construction and Related Workers
Other Installation, Maintenance, and Repair Occupations
Plant and System Operators
Supervisors of Installation, Maintenance, and Repair Workers
Supervisors, Construction and Extraction Workers
Vehicle and Mobile Equipment Mechanics,

Installers, and Repairers
Woodworkers

Operative Workers

Assemblers and Fabricators
Communications Equipment Operators
Food Processing Workers
Metal Workers and Plastic Workers
Motor Vehicle Operators
Other Production Occupations
Printing Workers
Supervisors, Production Workers
Textile, Apparel, and Furnishings Workers

Transportation

Air Transportation Workers
Other Transportation Workers
Rail Transportation Workers
Supervisors, Transportation and Material
Moving Workers
Water Transportation Workers

Laborers

Agricultural Workers
Animal Care and Service Workers
Fishing and Hunting Workers
Forest, Conservation, and Logging Workers
Grounds Maintenance Workers
Helpers, Construction Trades
Supervisors, Building and Grounds Cleaning
and Maintenance Workers
Supervisors, Farming, Fishing, and Forestry
Workers

Exhibit B: Work Force Report Job Categories-Trade

Brick, Block or Stone Masons

Brickmasons and Blockmasons
Stonemasons

Carpenters

Carpet, floor and Tile Installers and Finishers

Carpet Installers
Floor Layers, except Carpet, Wood and Hard
Tiles
Floor Sanders and Finishers
Tile and Marble Setters

Cement Masons, Concrete Finishers

Cement Masons and Concrete Finishers
Terrazzo Workers and Finishers

Construction Laborers

Drywall Installers, Ceiling Tile Inst

Drywall and Ceiling Tile Installers
Tapers

Electricians

Elevator Installers and Repairers

First-Line Supervisors/Managers

First-line Supervisors/Managers of
Construction Trades and Extraction Workers

Glaziers

Helpers, Construction Trade

Brickmasons, Blockmasons, and Tile and
Marble Setters
Carpenters
Electricians
Painters, Paperhangers, Plasterers and Stucco
Pipelayers, Plumbers, Pipefitters and
Steamfitters
Roofers
All other Construction Trades

Millwrights

Heating, Air Conditioning and Refrigeration
Mechanics and Installers
Mechanical Door Repairers
Control and Valve Installers and Repairers
Other Installation, Maintenance and Repair
Occupations

Misc. Const. Equipment Operators

Paving, Surfacing and Tamping Equipment
Operators
Pile-Driver Operators
Operating Engineers and Other Construction
Equipment Operators

Painters, Const. Maintenance

Painters, Construction and Maintenance
Paperhangers

Pipelayers and Plumbers

Pipelayers
Plumbers, Pipefitters and Steamfitters

Plasterers and Stucco Masons**Roofers****Security Guards & Surveillance Officers****Sheet Metal Workers****Structural Iron and Steel Workers****Welding, Soldering and Brazing Workers**

Welders, Cutter, Solderers and Brazers
Welding, Soldering and Brazing Machine
Setter, Operators and Tenders

Workers, Extractive Crafts, Miners

**U.S. EQUAL EMPLOYMENT OPPORTUNITY COMMISSION (EEOC)
2022 EMPLOYER INFORMATION REPORT (EEO-1 COMPONENT 1)**

EEOC Standard Form 100 (SF 100)
Revised 08/2023
OMB Control Number: 3046-0049
Expiration Date: 08/31/2024

SECTION A – TYPE OF REPORT
CONSOLIDATED REPORT

SECTION B – EMPLOYER IDENTIFICATION

OFS COMPANY ID N169561	EMPLOYER NAME CROWE LLP			
ADDRESS 225 West Wacker Drive, SUITE 2600	CITY/TOWN CHICAGO	STATE IL	ZIP CODE 60606-1224	

SECTION C – HEADQUARTERS OR ESTABLISHMENT-LEVEL IDENTIFICATION (if applicable)

HQ/ESTABLISHMENT-LEVEL UNIT ID	HEADQUARTERS OR ESTABLISHMENT-LEVEL NAME			
HEADQUARTERS OR ESTABLISHMENT-LEVEL ADDRESS	CITY/TOWN	STATE	ZIP CODE	

SECTION D – EMPLOYER IDENTIFICATION NUMBER (EIN)
350921680

SECTION E – EMPLOYER FILING ELIGIBILITY

YES (Employer Is Eligible to File) NO (Employer Is Not Eligible to File) EMPLOYER NO LONGER IN BUSINESS

SECTION F – FEDERAL CONTRACTOR DESIGNATION (if applicable)

Unique Entity ID (UEI): UNAVAILABLE

YES (Single-Establishment Employer is Federal Contractor) YES (Multi-Establishment Employer is Federal Contractor)
 YES (Headquarters is Federal Contractor) YES (Non-Headquarters Establishment is Federal Contractor)
 YES (One or More Non-Headquarters Establishments is Federal Contractor)

SECTION G – NAICS INFORMATION

541211 - Offices of Certified Public Accountants

SECTION H – WORKFORCE DEMOGRAPHIC DATA

JOB CATEGORIES	Race/Ethnicity														Row Total
	Hispanic or Latino		Not Hispanic or Latino												
			Male						Female						
	Male	Female	White	Black or African American	Asian	Native Hawaiian or Other Pacific Islander	American Indian or Alaska Native	Two or More Races	White	Black or African American	Asian	Native Hawaiian or Other Pacific Islander	American Indian or Alaska Native	Two or More Races	
Executive/Senior Level Officials and Managers	7	3	462	7	39	3	0	5	201	5	14	1	0	5	752
First/Mid-Level Officials and Managers	39	41	882	32	111	1	1	18	698	47	104	0	0	13	1987
Professionals	69	69	1049	79	187	6	1	42	693	108	227	0	1	27	2558
Technicians	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Sales Workers	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Administrative Support Workers	8	19	49	16	3	0	0	0	197	33	16	0	0	2	343
Craft Workers	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Operatives	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Laborers and Helpers	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Service Workers	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
CURRENT 2022 REPORTING YEAR TOTAL	123	132	2442	134	340	10	2	65	1789	193	361	1	1	47	5640
PRIOR 2021 REPORTING YEAR TOTAL	93	92	1895	74	211	7	1	41	1372	109	235	1	0	34	4165

SECTION I – WORKFORCE SNAPSHOT PERIOD
11/1/2022 - 11/15/2022

SECTION J – HEADQUARTERS OR ESTABLISHMENT-LEVEL COMMENTS (optional)

Not Applicable

**U.S. EQUAL EMPLOYMENT OPPORTUNITY COMMISSION (EEOC)
2022 EMPLOYER INFORMATION REPORT (EEO-1 COMPONENT 1)**

EEOC Standard Form 100 (SF 100)
Revised 08/2023
OMB Control Number: 3046-0049
Expiration Date: 08/31/2024

SECTION K – OFFICIAL CERTIFICATION OF SUBMISSION

EMPLOYER IDENTIFICATION

OFS COMPANY ID
N169561

EMPLOYER NAME
CROWE LLP

ADDRESS

225 West Wacker Drive, SUITE 2600

CITY/TOWN

CHICAGO

STATE

IL

ZIP CODE

60606-1224

CERTIFICATION COMMENTS (optional)

No Certification Comments Provided

CERTIFICATION STATEMENT

"I certify that the information, including any workforce demographic data, provided in this report is correct and true to the best of my knowledge and was prepared in conformity with the directions set forth in the form and accompanying instructions."

Knowingly and willfully false statements on this report are punishable by law, US Code, Title 18, Section 1001.

DATE OF CERTIFICATION

11/17/2023 6:07 AM [EST]

EMPLOYER'S CERTIFYING OFFICIAL

Name of Employer's Certifying Official

Katie Hamada

Title of Certifying Official

Chief People Officer

Email Address of Certifying Official

Katie.Hamada@crowe.com

Telephone Number of Certifying Official

714-668-5360

PRIMARY POINT OF CONTACT (POC) FOR EEO-1 COMPONENT 1 REPORTING

Name of Primary POC

Jodi Courtney

Title and Employer of Primary POC

Assistant Director - Human Resources
Crowe LLP

Email Address of Primary POC

jodi.courtney@crowe.com

Telephone Number of Primary POC

317-208-2568

AA. CONTRACTORS CERTIFICATION OF PENDING ACTIONS

As part of this Contract, the Contractor must provide to the City a list of all instances within the past 10 years where a complaint was filed or pending against the Contractor in a legal or administrative proceeding alleging that Contractor discriminated against its employees, subcontractors, vendors or suppliers, and a description of the status or resolution of that complaint, including any remedial action taken.

CHECK ONE BOX ONLY.

- The undersigned certifies that within the past 10 years the Contractor has NOT been the subject of a complaint or pending action in a legal administrative proceeding alleging that Contractor discriminated against its employees, subcontractors, vendors or suppliers.
- * The undersigned certifies that within the past 10 years the Contractor has been the subject of a complaint or pending action in a legal administrative proceeding alleging that Contractor discriminated against its employees, subcontractors, vendors or suppliers. A description of the status or resolution of that complaint, including any remedial action taken and the applicable dates is as follows:

DATE OF CLAIM	LOCATION	DESCRIPTION OF CLAIM	LITIGATION (Y/N)	STATUS	RESOLUTION/ REMEDIAL ACTION TAKEN

* Like all large professional service firms, Crowe LLP (Crowe) is subject to claims from time to time for a variety of reasons, and we occasionally receive notice of claims. Crowe has pending litigation, but it is Crowe's policy not to discuss any specific matters. However, in the view of management there are no (a) current claims that will result in significant losses to Crowe or (b) pending or threatened litigation that could affect its ability to perform the required services.

Contractor Name: Crowe LLP

Certified By Katherine V. Lai Title Partner
Name

Katherine V. Lai Date February 28, 2024
Signature

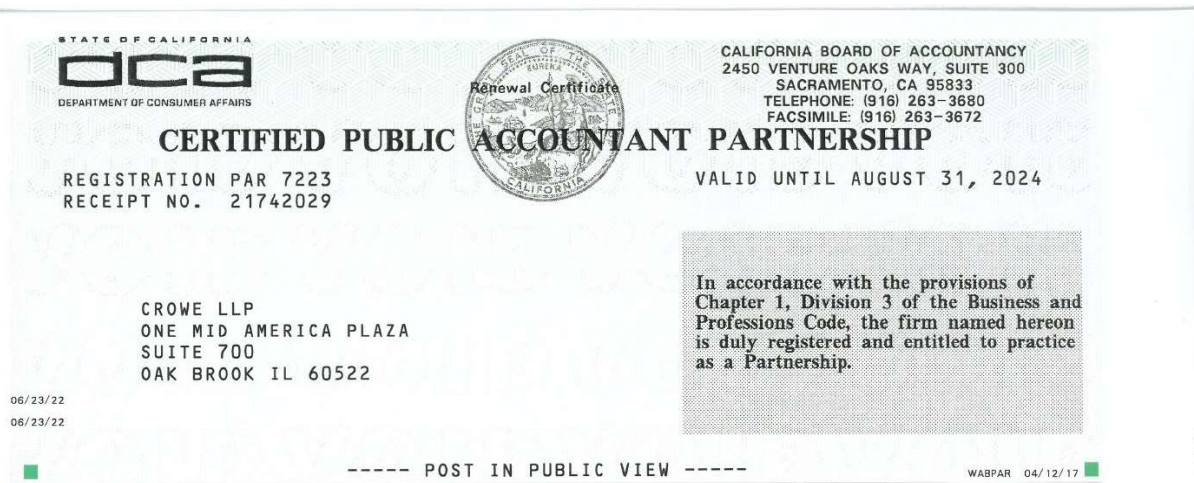
2.6 License as Required in Exhibit B

License to Practice

Crowe demands integrity, objectivity, competence and due care from its personnel in the conduct of its engagements, whatever their nature. Crowe LLP is a licensed public accounting firm certified by the State of California to practice public accounting in the State of California, is registered, and in good standing with the California State Board of Public Accountancy under license number PAR 7223.

All proposed engagement team members are in good standing with the American Institute of Certified Public Accountants and the California Society of Certified Public Accountants.

Below is a copy of Crowe's license to provide the proposed services in California.



2.8 Additional Information as required in Exhibit B

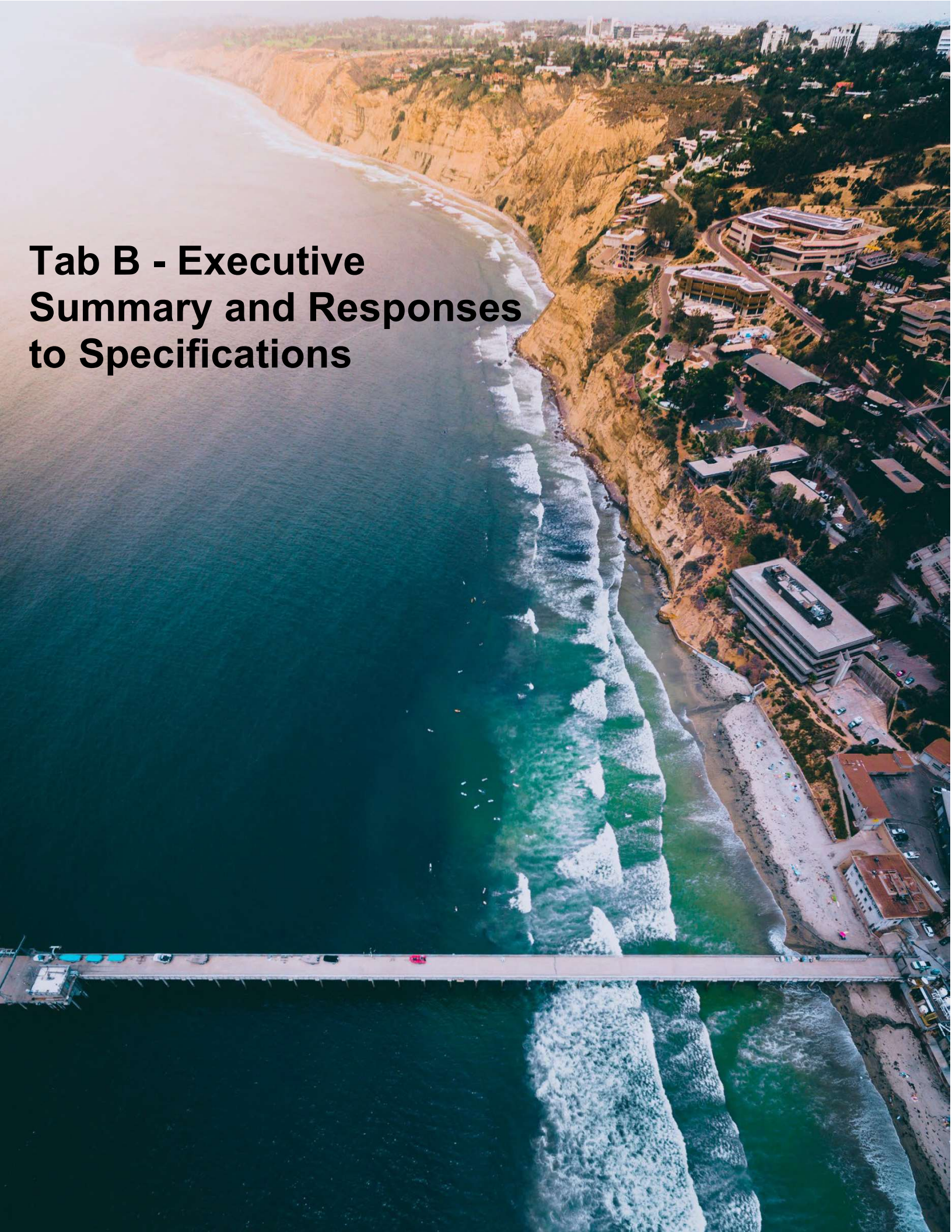
We have provided the additional information as required in **Exhibit B Scope of Services** under Tabs B and C of our proposal.

Our intent is to provide the City of San Diego (City) with a concise yet comprehensive narrative that addresses the City's Evaluation Criteria, as well as the following requirements of Exhibit B:

- A. Background (Tab B)
- B. Scope of Work (Tab B)
- C. Objective (Tab B)
- D. Core Requirements and Deliverables (Tab B)
- E. Audit Completion Requirements (Tab B)
- F. Qualification and Experience of the Firm and Project Team (Tab B)
- G. Proposers Implementation Plan (Tab B)
- H. As-Needed Auditing Services (Tab B)
- I. References (Tab B)
- J. Technical Representation (Tab B)
- K. Post Award Kick-Off Meeting (Tab B)
- L. Pricing (Tab C)
- M. Price Schedule (Tab C)

The rest of this page has been left intentionally blank.

**Tab B - Executive
Summary and Responses
to Specifications**



Proposal to Provide Annual Audit Services Related to the Annual Comprehensive Financial Report (ACFR), Single Audit and Other Audit Services

Submitted to:

Lisa Hoffmann, Senior Procurement Contracting Officer
City of San Diego
City Auditor Department
600 B Street, 13th Floor, Ste 1350
San Diego, California 92101

Submitted by:

Katherine V. Lai, Partner
Direct 714.668.5376
kathy.lai@crowe.com

Crowe LLP
650 Town Center Drive, Suite 740
Costa Mesa, California 92626-7192
Tel 714.668.1234
Fax 714.668.1235

February 28, 2024

Solicitation Number 10090112-24-L

2.10 Title Page



2.11 Table of Contents

Tab B - Executive Summary and Responses to Specifications	1
2.10 Title Page	2
2.11 Table of Contents	3
2.12 Executive Summary	4
2.13 Proposer’s Response to the RFP	5
A. Background	5
B. Scope of Work.....	10
C. Objective	10
D. Core Requirements and Deliverables	10
E. Audit Completion Requirements	10
F. Qualification and Experience of the Firm and Project Team.....	12
G. Proposers Implementation Plan.....	26
H. As-Needed Auditing Services	50
I. References.....	51
J. Technical Representation	52
K. Post Award Kick-Off Meeting	52
Tab B - Appendix A: Resumes	53
Tab B - Appendix B: Peer Review	72
Tab C - Cost / Price Proposal	
L. Pricing.....	1
M. Price Schedule.....	1

2.12 Executive Summary

We are pleased to provide our response to your Request for Proposal (RFP) for Annual Audit Services Related to the Annual Comprehensive Financial Report (ACFR), Single Audit and Other Audit Services. Crowe understands that the contract terms shall be for a period of for the five (5) fiscal years year ending June 30, 2024 through June 30, 2028.

Why Choose Crowe?

Crowe is the clear leader in serving Municipalities and Local Governments both nationally and locally in California. The City of San Diego will receive value from Crowe's dedication to public sector services across the country. As you will see throughout the proposal, we have developed a comprehensive plan explaining how we will perform our services. We believe we are uniquely qualified to serve the City of San Diego for the following reasons:

- **Fresh Perspective and Smooth Transition** – You have been audited by the same firm for 10+ years and may have grown accustomed to certain ways of doing things. This is your chance to rethink how you perceive your internal financial management, audit and business partner relationships and start fresh. Your engagement team has successfully transitioned some of the largest California governments recently, such as *City of Long Beach, San Diego Association of Governments, City of Beverly Hills, City of Las Vegas, City and County of San Francisco, Metropolitan Transportation Commission, and many others*. We will leverage our deep specialization in governments of similar size to mitigate risk on transition issues.
- **Deep Specialization** – We have significant government experience across the country and California, allowing us to provide you with both national and local insights about financial reporting and operational issues faced by municipal governments. *We have over 300 individuals who are fully dedicated to serve governments nationally* with audit, tax, consulting and advisory services. Also, Crowe has a long-standing legacy of appointments to the select 15-member AICPA State and Local Government Expert Panel (SLGEP) and one other partner serving on the AICPA Government Audit Quality Center. Your proposed lead audit engagement partner, Kathy Lai, and national managing partner of the Crowe Public Sector practice, Kevin Smith, are both past members of the SLGEP. Your proposed national office partner, Tony Boras, is the current Chair of the SLGEP.
- **Client Service Excellence** – We strive to build strong relationships with our clients. An important part of the client service experience is *open and frequent communication, setting mutual expectations and accountability, providing staff continuity, and of course, no surprises*. We survey all of our audit clients and their experiences. Clients tell us when our technical expertise, industry knowledge, and applied technology come together, exceptional service and value result.
- **Innovation and Use of Audit Technology** – Crowe Exchange is a secure, web-based project management tool that facilitates improved communication and *exchange of audit requests (PBC's) between our audit team and your staff*. This tool is more than a drop box that most accounting firms provide, it provides the ability to delegate requests to your staff, quickly view due dates by request, and make confidential information private and only accessible by the audit team. Most importantly, it eliminates duplicate requests from the audit team or client.

Thank you for taking the time to consider our proposal. We forge each relationship with the intention of delivering exceptional client service while upholding our firm's core values – Care, Trust, Courage, and Stewardship – and strong professional standards. Crowe has delivered value to our clients for decades by listening to their needs and developing a comprehensive understanding of their businesses and would appreciate the opportunity to do the same for the City. We are looking forward to demonstrating why Crowe is the best firm to engage for your audit needs.

2.13 Proposer’s Response to the RFP

In this section we provide our understanding of the project, our approach, methodology and timeline to complete the requested services outline in **Exhibit B – Scope of Work** from the RFP.

A. Background

Firm Profile

Crowe LLP (Crowe) was founded in 1942 and has been in business for 80 years. Headquartered in Chicago, Illinois, Crowe is a global accounting, consulting, and technology firm with more than 5,000 personnel and 35+ U.S. locations across the nation.



Because we operate within industry specializations as a national practice, we can pull expertise from many parts of the firm to best support your needs. Connecting deep industry and specialized knowledge with innovative technology, our dedicated professionals create value for our clients with integrity and objectivity. Crowe is recognized by many organizations as one of the country's best places to work.

Fortune 100 Best Companies to Work for 2023*

Crowe once again is named one of the Fortune 100 Best Companies to Work For in 2023. Crowe is recognized for offering a great workplace and a positive experience for all employees – regardless of job role, race, gender, or any other demographic identifiers. Everyone at Crowe plays a role in fostering and living by a strong, values -based culture. This is Crowe’s fifth appearance on the premiere best workplaces list. The award is based on an analysis of survey responses from more than half a million U.S. employees at Great Place to Work-Certified™ organizations.



From Fortune. © 2024 Fortune Media IP Limited. All rights reserved. Used under license.



From Fortune. © 2024 Fortune Media IP Limited. All rights reserved. Used under license.



From Fortune. © 2024 Fortune Media IP Limited. All rights reserved. Used under license.

Industry specialization is the primary go-to-market strategy for the firm, relying on teams of individuals contained within the business units to drive service delivery and growth within key industries.

Industry Listing

The Firm’s core services include audit, tax, advisory, and consulting services complemented by industry specialization.



Our Core Purpose and Values

Our values reflect what we hold important as both a firm and as individuals. By living out our values every single day, in every single interaction, we drive the purpose of the firm forward. These values are the fabric that makes up the tapestry of our purpose, and that tapestry is the foundation for all the work we do.

Starting with our core purpose of “*Shaping Your Better Tomorrow. Together. Today.*” our values bring together the guiding principles that all members of the firm, regardless of title or position, are expected to use in their interactions with colleagues, with clients, and in the communities and profession in which we work. It explains to our people the standards and expectations of ethical conduct that Crowe requires when doing business, wherever that might be.

This core purpose and our core values – care, trust, courage, and stewardship – guide us in exercising professional skepticism, objectivity, and being free of conflicts of interest. They guide our people in acting with the utmost integrity and professionalism in each interaction and provide a solid foundation for the firm.

**SHAPING
YOUR
BETTER
TOMORROW.
TOGETHER.
TODAY.**

CARE
TRUST
COURAGE
STEWARDSHIP



The Power of Crowe means our clients have access to the top expertise across the firm and experience a seamless collaboration between our offices, our business units, our subsidiaries, and our international network in the delivery of that expertise. For our people, it means career growth opportunities and potential for leadership development. Crowe invests in and engages the most effective resources available and goes deeper to find valuable insights and opportunities. We embrace collaboration and diversity, equity, and inclusion as a way of being and show up every day with focus and passion. At Crowe, our people work together across our functional areas to shape a better tomorrow.

Diversity, Equity and Inclusion

Integrity and exceptional client service are the cornerstones of our client relationships. Crowe promotes and fosters an inclusive work environment where respect, trust, and integrity are valued and people are free to reach their full potentials.

We recognize this goal can only be achieved through collaboratively leveraging the diversity, perspectives and needs of our people, our clients and our communities. Accordingly, diversity, equity and inclusion is a top priority of the firm, integrated into firmwide programs, policies, people processes, systems, and day-to-day initiatives. Our Diversity and Inclusion Advisory Council is a governance body that oversees the execution of all key strategies and initiatives with robust CEO and leadership support. Overall, this commitment and the firm’s many inclusive initiatives help us understand, appreciate, and address each individual’s perspectives and needs and support our firm’s values.

Business Resource Groups (BRGs)

Open to everyone, the firm sponsors seven BRGs – African American; Asian; Diverse Abilities; Latino; Military, Veterans and Allies; Pride (LGBTQ people and allies); and Young Professionals. Our BRGs are designed to create a sense of community and promote inclusion through networking, supporting each other, educating our people about diversity, building dialogue and assisting with recruiting efforts. Each BRG has a business charter that aligns with the firm’s strategic goals.

Many strategies and initiatives show intersectionality for a multicultural and collaborative One Crowe approach. Our BRG groups acknowledge and plan office activities that build awareness of different customs and traditions such as a Lunar New Year, cultural dancing, ethnic/cultural cuisine showcases, Cinco De Mayo, Pride events, Juneteenth and so many more.

Crowe’s commitment to Diversity and Inclusion is further evidenced in the many programs and outreach initiatives. Open to everyone, the firm sponsors eight BRGs supporting our African American (AA), Asian, Latino, Pride (LGBTQ people and allies), Military, Veterans & Allies, Diverse Abilities, Young Professionals (YP), and Caregivers. BRGs serve to educate our people about diversity and provide a forum for networking, support, recruiting efforts in order to promote inclusion within the firm. Each BRG has a business charter that aligns with the firm’s strategic goals. Our WL@C programming provides career and leadership development support for all women at the firm.

While each BRG group functions independently, many strategies and initiatives are combined for a multicultural and collaborative One Crowe approach.



Through our BRGs, we’ve built stronger relationships with diverse professional associations such as Ascend (the association for Asian Americans in finance, accounting and other business-related professions), the Association of Latino Professionals in Finance and Accounting (ALPFA) and the National Association of Black Accountants (NABA). We’re a corporate sponsor at each of the national conferences for these associations and our professionals often speak on panels and provide thought leadership sessions.

Our LGBTQ members have also participated in and presented sessions at the annual Out & Equal Workplace Advocates Summit. We also leverage diversity conferences as opportunities to recruit high-quality diverse talent and have gained business revenue generating relationships. Through these combined efforts, we have raised Crowe's visibility and competitive brand in the marketplace among potential job candidates, as well as potential clients. BRGs also work closely with campus faculty members to create a presence at various events at universities.

Crowe Impact

Crowe is taking action in relation to our commitment to diversity, equity and inclusion.

- Crowe provides benefits to same-and opposite-sex domestic partners and has policies in place to help ensure a harassment-free workplace.
- Our unlimited time off policy allows everyone to observe the religious or cultural holiday of their choice.
- As part of our ongoing efforts to advance diversity and inclusion at Crowe, our people have engaged in a two-part webinar series training titled, "Diversity To Inclusion." These sessions are intended to take our people on a journey from: 1) Unconscious bias to 2) Conscious bias to 3) Conscious inclusion to 4) Unconscious inclusion in our culture and DNA.
- Crowe engages in multiple series of "Day of Understanding" and "Increasing Understanding and Inclusive Dialog at Crowe." These trainings are designed to help companies like Crowe bring people together to promote understanding by having conversations about diversity and embracing differences, as well as the potential impact of blind spots and unconscious bias. Focusing on understanding those who are different from ourselves helps create a more inclusive environment for all both inside and outside of the workplace.

Women Leading at Crowe (WL@C)

Our Women Leading@ Crowe programming provides career and leadership development support for all women at the firm. WL@C includes three tiers of Connect, all women in the firm; Grow, High-talent, high-potential women at the senior manager level; and Inspire, for female leaders at the partner and director levels.

The goals of WL@C are:

- Offering opportunities for both professional and personal growth
- Creating a women's network
- Supporting the changing needs of the workforce
- Attracting women to the firm

Our WL@C programming provides career and leadership development support for all women at the firm.

CROWE GLOBAL NETWORK

Crowe LLP is one of more than 200 independent member firms, business associates, and correspondent firms.

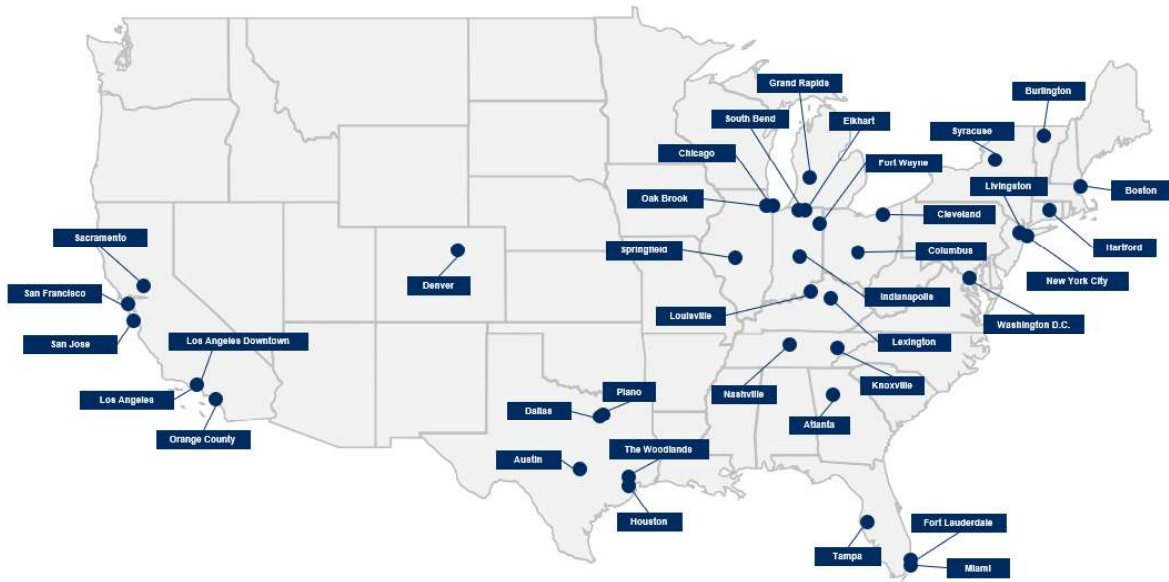
145+ COUNTRIES | **750+** OFFICES | **40,000+** PROFESSIONALS | **>\$4.9B** (USD) REVENUE



US Office Locations

Crowe serves clients coast to coast from the following office locations:

- California | Los Angeles (2), Orange County, Sacramento, San Francisco, San Jose
- Colorado | Denver
- Connecticut | Hartford
- District of Columbia | Washington D.C.
- Florida | Fort Lauderdale, Miami, Tampa
- Georgia | Atlanta
- Illinois | Chicago, Oak Brook, Springfield
- Indiana | Elkhart, Fort Wayne, Indianapolis (2), South Bend
- Kentucky | Lexington, Louisville
- Massachusetts | Boston
- Michigan | Grand Rapids
- Missouri | St. Louis
- New Jersey | Livingston
- New York | New York City, Syracuse
- Ohio | Cleveland, Columbus
- Tennessee | Knoxville, Nashville
- Texas | Dallas, Houston, Austin, The Woodlands, El Campo
- Vermont | Burlington



B. Scope of Work

Crowe acknowledged the scope of work listed in the RFP, as listed below:

- An annual audit of the financial statements included in the City's Annual Comprehensive Financial Report (ACFR);
- An annual organization-wide financial and compliance audit conducted under Office of Management and Budget (OMB), Compliance Supplement Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Super Circular).
- Management Letter.
- Opinions Issued.
- San Diego Sewerage Utility. Additional work as described in Exhibit B, section D of this RFP.
- An annual audit of the financial statements of the Otay Mesa Enhanced Infrastructure Financing District (Otay EIFD) to be presented to the Otay EIFD Public Financing Authority (Authority) See Exhibit B, section D, Item 7 below for details.
- Agreed-Upon Procedures Related to the Central Stores Physical Inventory at fiscal year-end.

C. Objective

No response deemed as necessary.

D. Core Requirements and Deliverables

We acknowledged the City's core requirement and deliverables and have incorporated those requirement into our audit timeline within our audit approach.

E. Audit Completion Requirements

We **acknowledged** the City's expectation for **audit completion requirements** as stated below and have incorporated these milestones into the audit timeline within our Audit Approach:

- *The fieldwork specified in Exhibit B, section D, item 1 **Annual Audit** and the issuance of the related written auditor's opinion shall begin upon receipt by the selected Proposer of an approved Purchase Order and shall be completed by Proposer within two (2) months from the date the Comptroller provides a full draft ACFR for review for each fiscal year audited.*
- *The fieldwork specified in Exhibit B, section D, item 2 **Single Audit** and the issuance of the related written auditor's opinion shall be completed two (2) weeks prior to the deadline established under OMB Compliance Supplement and the SuperCircular.*
- *The fieldwork specified in Exhibit B, section D, item 4.2 **The City of San Diego Sewerage Utility allocation for billing Metropolitan System of the City of San Diego Sewer Utility to ensure that costs have been properly allocated to the participating agencies** shall be completed within five (5) months after the issuance of the ACFR opinion, or at a time mutually agreed upon between the City and Proposer in writing.*
- *The Proposer shall attend **Audit Committee meetings** (estimated at 12 per year) and City Council meetings (estimated at 2 per year) when requested to provide oral presentations regarding the progress and results of the audits, at no additional cost to the City.*

We seek to **set timelines well in advance** and have provided a detailed project plan in our proposal as a reference point. Prior to beginning the engagement, we would adjust the timeline as needed through discussion with the appropriate the City stakeholders. We believe it's important to not only discuss the final issuance date of the reports but also the milestones leading up to that date to stay on track along the way. This includes dates for report drafts, our comments on that draft, the next draft, and so on.

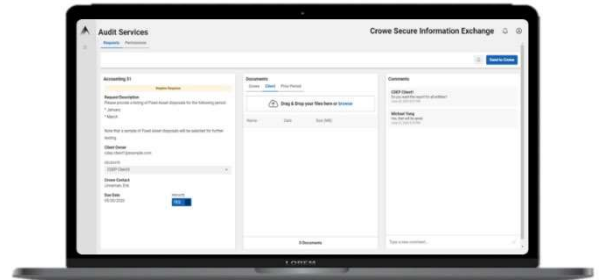
As we approach fieldwork, we would have more detailed discussions as to when various audit areas and schedules are ready and **set due dates in Exchange to match the timeline** accordingly so we can track progress. Throughout the engagement, we will set frequent meetings or other touchpoints with management to **ensure delays in information requests do not jeopardize our deadlines**. These frequent touchpoints also allow us to discuss potential findings and issues and provide management enough time to respond or provide additional information.

We recognize that not every entity functions in the same manner, so upon our engagement with the City, we will meet with key members of management to **discuss expectations and communication styles** that would be most effective for your team.

Crowe Secure Information Exchange (Crowe Exchange)

In most engagements, a significant amount of time is spent gathering key documents, data, reports, and reconciliations and responding to questions. To meet the challenges of managing this complex information-gathering process, Crowe has developed a state-of-the-art solution called the **Crowe Exchange**.

- Multi-factor authentication (MFA), one of the most effective controls in the industry to protect against cyber threats.
- An effective workflow and management of information exchange.
- Streamlines the data and document collection process.
- Reports status updates through dashboards with easy-to-use navigation.
- Centralizes communication and information sharing.
- Documents and tracks requests and historical records.
- Giving you the option of managing workflow through a centralized individual who can assign and delegate requests to other company personnel. This lets you track project activity by assigned individual, due date, and status with a user-friendly, easy-to-use, dashboard interface so you can quickly view and monitor project progress.



Crowe Exchange is a secure, web-based interface that facilitates timely communication and effective project management.



Secure

- Includes Multi-Factor Authentication (MFA)
- Provides strong identity and access management



Intuitive

- Simple interface with clear visibility to document requests
- Set-up and manage notifications



Flexible

- Flexible and scalable
- Simple feature layout allows users to do their jobs

F. Qualification and Experience of the Firm and Project Team

1. Proposer shall provide a company/corporate organizational chart and staffing profile.

Organizational Chart

The identified key engagement leadership team members who will directly work on this project has been provided in an organizational chart below.



2 .Proposer shall provide names, contact information, resumes, and years of tenure for key personnel including but not limited to the account representative(s) who will be assigned and dedicated to the City’s account. Additionally, describe the strengths of key personnel to the City’s requirements. Indicate role and responsibilities of proposer and all subcontractors, if applicable. All assigned staff are knowledgeable and compliant with government auditing standards, including but all limited to, the audit process and continuing professional education.

Your Client Service Team

The ultimate success of our relationship with the City involves the commitment of an accomplished team of experienced professionals.

Your proposed engagement team is well-qualified to provide the City with quality, timely, and personalized service. **Kathy Lai** will lead the team and will manage the coordination of all services for the City. She will ensure that all communications are distributed to the proper Crowe personnel overseeing the Annual Comprehensive Financial Report, Single Audit, San Diego Sewerage utility, GANN Limit AUP, Otay Mesa EIFD Deliverable, and IT Audit. She will be assisted by Joe Widjaja, AJ Johnson, Erika Alvarez, and Cassandra Taylor in managing the team, technology, and procedures for each of these respective audits.


For day-to-day operations, **Joseph Widjaja** will be the single point of contact coordinating delivery of specific audit segments and specialists and overseeing all services for consistency and cohesiveness. Through frequent communication with your organization, we can develop a deep understanding of your needs and expectations – and can respond appropriately.

Ultimately, we want to **effectively work together to achieve results**. Our goal is open, timely communication and swift issue resolution. Routine phone calls, emails, faxes, and report preparation and delivery are considered part of our service and are provided at no additional cost to you.

We have experience working with clients similar to the City of San Diego in both size and complexity. The work that we will perform will be conducted in a timely, planned, and orderly manner, without the uncertainty and confusion associated with a delayed, last-minute performance.

The proposed team takes pride in their client service and in responding promptly to client inquiries. They are typically able to access e-mail even when out of the office and respond promptly. Your engagement team is available to address your needs and concerns.

An overview of how we plan to structure your engagement team is as follows:

Core Team	
	<p>Kathy Lai, CPA Engagement and Signing Partner</p> <p>With more than 23 years of experience, Kathy is a highly accomplished licensed CPA and CGMA and leads the firm’s state and local government segment of the Public Sector Practice providing assurance services to large states, counties, cities, utilities, transportation, higher education institutions, school districts and not-for-profit organizations. Kathy has served as a member of the AICPA State and Local Government Expert Panel and currently serving on the CalCPA Governmental Accounting and Auditing Committee. Kathy is a frequent speaker for the AICPA Government Audit Quality Center, GFOA, CSMFO, National Grants Management Association, National Association of State Auditors, Comptrollers, and Treasurers and Public Pension Finance Forum.</p> <p>Kathy will serve as the lead engagement partner on all of City’s audits, as well as the signing engagement partner. She will lead the planning process to identify the key risks, identify the audit strategy and testing methodology and review the related workpapers. She will also be the first reviewer of all the financial statement audit reports.</p> <p>Kathy has led the audits of some of the largest governments in the West, including the City of Long Beach, City and County of San Francisco, City of Las Vegas, Clark County, Clark County Department of Aviation, State of California (Single Audit), City of Los Angeles, City of Santa Ana, City of Riverside, City of Beverly Hills, County of Orange, Metropolitan Water District of Southern California, Riverside Public Utilities, Los Angeles County Metropolitan Transportation Authority, San Bernardino Council of Governments,</p>

San Diego Association of Governments, Association of Bay Area Governments, Metropolitan Transportation Commission, Orange County Transportation Authority, Transportation Corridor Agencies, Los Angeles World Airports, John Wayne Airport and Long Beach Airport. Similar to other partners, she has spent her entire career in government and has over 23 years of experience working on Annual Comprehensive Financial Reports. An additional client listing is identified within her resume, and includes many clients already listed here. Kathy participates in continuing professional education courses to meet requirements with applicable AICPA, and Government Auditing Standards (GAS) regulations.



Jeff Jensen, CPA

Partner

Jeff is an audit partner in Crowe's Public Sector Services Practice. He has more than 23 years of experience providing auditing, accounting, and advisory services to public sector clients, including City and County governments, transportation entities, local education agencies, higher education institutions and not-for-profits.

Jeff will serve as an engagement partner on the Single Audit, supporting Kathy as an additional account executive. He will assist in leading the planning process to identify the key risks, identify the audit strategy and testing methodology and review the related workpapers. He will also be a second reviewer of all the financial statement audit reports.

Jeff is the partner or concurring review partner on some of the large municipal government entities throughout the country and within the West, including Clark County and component audits such as the Regional Flood Control District, City of Beverly Hills and City of West Sacramento. He is also the engagement partner of San Diego Unified School District. Jeff participates in continuing professional education courses to meet requirements with applicable AICPA, and Government Auditing Standards (GAS) regulations.



Kevin Smith, CPA

Public Sector Managing Partner

Kevin is an audit partner and the National Managing Partner of Crowe's Public Sector Services Practice. He has more than 30 years of experience providing both financial statement and compliance audits to local governmental entities. He has also recently served as a member of the AICPA's State & Local Government Expert Panel and currently serves as the AICPA liaison to the Governmental Accounting Standards Advisory Council (GASAC).

As the leader of the Public Sector Practice, Kevin is available at any time for questions and to ensure that the City is provided an excellent client service experience. He will be available to management, the audit committee and those charged with governance to assist in any aspect of the engagement.

He has audited some of the largest governments in the country, including CalSTRS, the second largest pension plan system in the country. Additionally, he has audited large city and counties in Texas, such as the City of Dallas, Dallas County, City of Carrollton, City of Plano, City of San Antonio and City of Richardson. Kevin has spent his entire professional career of over 30 years in the governmental space working with clients on submitting their Annual Comprehensive Financial Reports to GFOA. His resume includes a listing of the specific clients where he has been involved, including: City of Fort Worth, City of Richardson, Texas Department of Transportation, etc. Kevin participates in continuing professional education courses to meet requirements with applicable AICPA, and Government Auditing Standards (GAS) regulations.



Scott Nickerson, CPA

Concurring Review Partner

Scott is an audit partner in Crowe's Public Sector Services Practice. He has more than 32 years of experience providing auditing, accounting, and advisory services to public sector clients, including City and local governments, utilities, transportation entities and not-for-profits

As the Concurring Review Partner, Scott will perform a technical review of all reports that will be issued and discuss technical accounting and auditing issues and significant transactions with the audit teams. He will be available to management, the audit

committee and those charged with governance to assist in any aspect of the engagement.

Scott is the partner or concurring review partner on some of the largest municipal government entities throughout the country and within the West, including Metropolitan Transportation Commission, City of Las Vegas, City of Hammond, City of Evansville, City of Bloomington, Los Angeles County Metropolitan Transportation Authority (LA Metro), Alameda Contra Costa Transit District, Louisville-Jefferson County and Enterprise components such as the Metropolitan Sewer District, Orange County Transportation Authority, San Diego Association of Governments, Clark County and Component Audits, Regional Transportation Commission of Southern Nevada, Clark County Department of Aviation, RTC Washoe County, Reno-Tahoe Airport Authority. Scott participates in continuing professional education courses to meet requirements with applicable AICPA, and Government Auditing Standards (GAS) regulations.

Tony Boras, CPA
National Office Partner



Tony has approximately more than 24 years of experience in public accounting providing auditing and consulting services to governmental, transportation, higher education, and not-for profit organizations. Tony has been recently appointed to the AICPA State and Local Government Expert Panel (Expert Panel). The Expert Panel facilitates meetings between the GASB Board and Senior Technical Staff and the AICPA to discuss emerging issues pertaining to the new audit and accounting standards and future projects that are of vital importance to governments. His participation on the Expert Panel is critical in relaying changes in accounting and financial reporting standards to your Crowe engagement team and City management.

He currently serves as a member of the Assurance Professional Practice (APP) national office and is responsible for providing GASB technical assistance to the engagement team members as well as reviewing all reports for conformance to professional standards prior to issuance. In conjunction with Kathy and all the engagement partners, he is directly responsible for the quality control of the audit. He will perform a detailed review of all high-risk areas of the audit and also verify that all reports will conform to professional standards prior to issuance.

Before Tony moved to APP, he was an auditor that served his own clients. He has also always been in the governmental section of the public sector practice and has worked with clients on meeting the requirements for the GFOA Annual Comprehensive Financial Report for 24 years. Due to his role, he now reviews a large portion of the reports that are issued by Crowe and these include: Chicago Transit Authority (an engagement he previously served as manager), City of Fort Worth, Clark County, etc. During the time period of the City's audit, he will be available on a full-time basis to perform the technical review of the financial statements and related audit reports, as his role will be limited to specific consultations and reviews to provide that independent oversight.

Brian Archambeault, CPA
National Office Partner



Brian is a partner in Assurance Professional Practice (APP) which is Crowe's national office. In his role he is responsible for the firm's quality control function applicable to public sector audits, which includes matters related to accounting, auditing, ethics, independence, audit quality and inspections, as well as professional standards consultation process. He also oversees the preparation of Firm responses to proposed accounting and auditing standards impacting not-for-profit organizations and governments.

Prior to joining Crowe's national office, he served as a senior manager in the public sector services audit practice. He has more than 25 years of total experience.

Joseph K. Widjaja, CPA
Senior Manager



Joseph is a CPA with over fourteen years of accounting experience including ten years of public accounting-auditing experience, including multiple years with the City's engagement. Mr. Widjaja has managed audit engagement teams to conduct financial audits, federal and state compliance audits, and agreed upon procedures for various state and local government entities.

Joseph has served many cities, counties, transportation authorities, school districts, county offices of education, charter school, foundations, JPAs, and not for profit organizations in the United States. Mr. Widjaja is a lead Senior Manager on the Metropolitan Transportation Commission, State of Indiana audits of the City of Evansville and City of Hammond, City of Beverly Hills, Clark County and City of Las Vegas audits, with over 15 major programs collectively. He will serve as the project manager for the engagement and will be available to oversee the day-to-day audit activities.



Erika Alvarez, CPA
Audit Senior Manager

Erika is an audit manager in Crowe’s Public Sector practice with 12 years of experience providing financial statement and compliance audits primarily to local governments and transportation entities. She has provided professional audit services to several large complex government groups in accordance with U.S. GAAP and Government Auditing Standards.

She currently serves as the audit manager for the City of Long Beach, City and County of San Francisco, Metropolitan Transportation Commission, Alameda Contra Costa Transit District, San Diego Association of Governments, Los Angeles County Metropolitan Transportation Authority, Clark County and component unit audits. Erika also manages the Single Audit for certain grants for the State of Indiana, which may have more than 10-15 major programs, annually.

She will serve as a manager in charge over all aspects of the Single Audit. Her responsibilities will include leading and monitoring all stages of the audit, supervising all fieldwork, facilitating communications with the engagement partner, concurring review partner, firm specialists, management and audit team. She will also perform a detailed review of all work papers of the major programs as part of our quality control process.

Erika participates in continuing professional education courses to meet requirements with applicable AICPA, and Government Auditing Standards (GAS) regulations.



Danny Kim, CPA
Audit Manager

Danny has approximately eight years of public accounting and auditing experience. Mr. Kim has led and supervised audit engagement teams, conducted financial audits, federal and state compliance audits, and agreed upon procedures for government entities and not for profit agencies.

Danny has experience in planning, supervising, executing and reporting on audits of financial statements prepared in accordance with GASB. He has extensive experience in performing federal compliance audits (Single Audit) for various state and local government entities. Danny will be in charge of the San Diego Sewerage Utility and the Otay EIFD.



Kathleen San Andres
Audit Senior

Kathleen has over six years of private/public accounting and auditing experience. Kathleen is a Senior Staff and has performed procedure related to financial statement audits, federal and state compliance audits, and agreed upon procedures.

Kathleen has served over 30 local governments, including municipalities, Local Education entities transportation entities. Ms. San Andres is a lead Senior on the City of Las Vegas and Clark County financial and compliance audits. Ms. San Andres will serve as the on-site project leader and will be in the field on a daily basis. She will assist in directing the staff and specialize in the timely completion of the all the components of the engagement.



Johnson Chung, CPA
Audit Senior

Johnson has approximately five years of experience ranging from commercial clients to those in State and Local government. He has performed procedures related to financial statement audits, single audit, and agreed upon procedures. He is the current lead senior on the Metropolitan Transportation Commission and City of Long Beach.

Johnson has experience in the preparation of financial statements in accordance with GASB, including the planning, performance, and reporting of the audit.

He has attended numerous in-house GASB trainings and has experience in the restructuring of firm procedures surrounding standards such as GASB 87 & 96. Mr. Chung also has experience in the performance of single audit for a wide array of agencies and has performed other agreed upon procedures.



Nathan Chupp
Audit Senior

Nathan is a Senior Audit staff with five years of experience primarily specializing in government financial and compliance audits. Nathan has performed procedures related to financial statement audits, single audit, national transit database, and other agreed upon procedures. He has also been instrumental in development of firm-wide methodologies for recently released GASB pronouncements, such as GASB Statement No. 84, Fiduciary Activities.

Nathan has served as the in-charge for SANDAG, Orange County Transportation Authority, San Bernardino County Transportation Authority, State of Indiana audits of the City of Evansville and City of Hammond, State of Nevada Legislative Counsel Bureau, and California Mental Health Services Authority.

Nathan participates in continuing professional education courses to meet requirements with applicable AICPA, and Government Auditing Standards (GAS) regulations.



Liam Darwin
Senior Staff

Liam has three years of experience ranging from transportation to state and local governments. Liam has performed procedures related financial statement audits, single audits and agreed upon procedures. Example clients served include OCTA, LOSSAN, San Bernardino County Transportation Authority, San Diego Association of Governments and Transportation Corridor Agencies.

Liam has been responsible for engagement planning and management in the public sector entities. His experience includes auditing financial statements, auditing compliance and internal controls over compliance in accordance with Government Auditing Standards and Uniform Guidance and financial statement preparation.



Orlando Lopez
Senior Staff

Orlando has more than four years of experience and provides audit services to a number of clients in various industries including government, not-for-profits, benefit plans, and higher education.

Orlando has been responsible for engagement planning and management, with a focus in the public sector entities. His experience includes auditing financial statements, auditing compliance and internal controls over compliance in accordance with Government Auditing Standards and Uniform Guidance, and financial statement preparation



Martin Bernestine
Audit Senior

Martin has approximately five years of experience ranging from Not for Profit to those in State and Local government. He has performed procedures related to financial statement audits, single audits, and agreed upon procedures.

Martin is an Audit Senior for Crowe's engagement with State of Indiana audits of the City of Evansville and City of Hammond, Los Angeles County MTA, City of Beverly Hills, Clark County Regional Flood Control District, City of Las Vegas and Clark County and also works on Sound Transit.



Rich Perilloux, CISA
IT Audit Partner

Mr. Perilloux is a Partner in Crowe's Audit and Assurance Practice. Mr. Perilloux has 21 years of experience in Information Technology (IT) Auditing and has a Certified Information Systems Auditor (CISA) certification.

During his career, Mr. Perilloux has specialized in IT Assurance and Consulting services including IT controls evaluation in support of financial statement audits, attestation services (SOC, AUP), Sarbanes-Oxley consulting services, IT risk management consulting, and internal audit outsourcing. Primary industries of focus include Financial Services and Public Sector. In addition to client service, Mr. Perilloux has national roles at Crowe in both the IT Audit methodology team and IT Audit Quality Assurance team. Prior to joining Crowe, Mr. Perilloux worked for EY LLP and KPMG LLP in their IT Audit practices, as well as in industry.

He currently is the lead IT Audit Partner on several governments, including CalSTRS, Clark County, Orange County Transportation Authority, Metropolitan Transportation Commission and OC Toll roads.



Cassandra Taylor, CISA
IT Audit Senior Manager

With 8 years of experience, Ms. Taylor is an IT Assurance Senior Manager in Crowe's Assurance group. Cassandra has provided clients across multiple industries with assistance in IT audits and risk services. She is predominately responsible for assessing client's general information technology controls (ITGC) from both an external and internal standpoint. Furthermore, Ms. Taylor evaluates the client's system development practices, ensuring that they comply with all appropriate federal regulations and requirements.

Ms. Taylor is also well-versed in vendor management, user access management, logical access, and business continuity management. She is the lead IT Audit Senior Manager for Clark County, Clark County Department of Aviation, and the City of Las Vegas engagements.

Resumes

We provide resumes of the individuals listed above in **Appendix A**. Resumes outline education, years of experience, licenses and certifications, professional affiliations, and other relevant experience.

The rest of this page has been left intentionally blank.

3. Proposer shall provide account representative(s) who have a minimum of three (3) years prior experience in accounts of similar type, size, and scope to the requirements and deliverables of this RFP. Individuals with demonstrated experience conducting government financial audits and providing written reports and presentations with recommendations to improve an organization’s operations are highly desirable. Proposer shall clearly define what responsibilities the assigned account representative(s) will be charged with relative to this project.

	Team Member	Years of Exp.	GASB Entities	Local Governments	Single Audit	Enterprise Operations
Partners & Principals	Kathy V. Lai	23	✓	✓	✓	✓
	Kevin Smith	30	✓	✓	✓	✓
	Jeff Jensen	23	✓	✓	✓	✓
	Scott Nickerson	32	✓	✓	✓	✓
	Tony Boras	24	✓	✓	✓	✓
	Brian Archambeault	25	✓	✓	✓	✓
Senior Managers & Managers	Joseph Widjaja	14	✓	✓	✓	✓
	Erika Alvarez	12	✓	✓	✓	✓
	Danny Kim	8	✓	✓	✓	✓
Senior Auditors	Kathleen San Andres	6	✓	✓	✓	✓
	Johnson Chung	5	✓	✓	✓	✓
	Nathan Chupp	5	✓	✓	✓	✓
	Martin Bernestine	5	✓	✓	✓	✓
	Orlando Lopez	4	✓	✓	✓	✓
	Liam Darwin	3	✓	✓	✓	✓

4. Proposer shall not change the dedicated account representative(s) without the prior written approval of the City.

Crowe agrees not to change dedicated account representative(s) without the prior written approval of the City.

5. The City’s dedicated account representative(s) shall be accessible, at the minimum, by e-mail and telephone numbers or a toll-free number, Monday through Friday between the hours of 8:00 a.m. and 5:00 p.m., Pacific Time excluding City holidays.

Crowe agrees that your dedicated account representative will be available by email and phone Monday through Friday between the hours of 8:00 AM and 5:00 PST excluding City holidays

6. Firms with demonstrated experience conducting government financial audits and providing written reports and presentations with recommendations to improve an organization's operations are highly desirable with municipalities of similar size and public utilities.

Crowe has diverse, in-depth governmental experience that delivers insight and solutions to public sector agencies. Crowe has been serving the needs of government organizations for **over 50 years**. We have developed a national state and local government practice that includes entities across the country allowing us to provide you with more global insights about financial reporting and operational issues local government agencies face.

Serving more than **1,000 public sector entities**, Crowe continues to make the long-term investment in state and local governments, utilities, transportation, retirement systems, local education agencies, higher education, and not-for-profits. Our professionals are passionately interested in our public sector clients and are focused on providing outstanding service. We have continued investing in the industry through the development of new technology solutions specifically for governments such as the Crowe Lease Optimizer and Crowe Debt Manager.

The firm has further demonstrated its commitment specifically to the public sector with increased professional staff dedicated to the government space and support of government industry groups and forums such as **GFOA, GASB, AICPA and more**. This approach and commitment benefits our clients, our business, and our communities. What truly differentiates us from other firms is our commitment to the public sector through our thought leadership and educational materials, association involvement, and the tools and technology we develop for efficient and effective project management, as demonstrated throughout this proposal.



1,000⁺

Public sector clients

300⁺

Public sector auditors



Current and former local government clients served by Crowe, including members of your proposed engagement team:

- Association of Bay Area Governments
- Broward County, Florida
- CalSTRS
- Chicago Public Schools
- City and County of San Francisco, California
- City of Anaheim, California
- City of Arlington, Texas
- City of Berwyn, Illinois
- City of Beverly Hills, California
- City of Brea, California
- City of Cedar Hill, Texas
- City of Cleburne, Texas
- City of Coronado, California
- City of Costa Mesa, California
- City of Cupertino, California
- City of Cypress, California
- City of Dana Point, California
- City of Decatur, Illinois
- City of Des Plaines, Illinois
- City of El Cajon, California
- City of Fort Lauderdale, Florida
- City of Fort Worth, Texas
- City of Fountain Valley, California
- City of Frisco, Texas
- City of Fullerton, California
- City of Garden Grove, California
- City of Huntington Beach, California
- City of Irvine, California
- City of La Habra, California
- City of La Mesa, California
- City of La Palma, California
- City of Laguna Beach, California
- City of Laguna Hills, California
- City of Laguna Niguel, California
- City of Laguna Woods, California
- City of Lake Forest, California
- City of Lakeland, Florida
- City of Las Vegas, Nevada
- City of Lemon Grove, California
- City of Los Alamitos, California
- City of Long Beach, California
- City of Miami Beach, Florida
- City of Mission Viejo, California
- City of National City, California
- City of Newport Beach, California
- City of North Las Vegas, Nevada
- City of Oceanside, California
- City of Orange, California
- City of Placentia, California
- City of Poway, California
- City of Rancho Santa Margarita, California
- City of Richardson, Texas
- City of San Clemente, California
- City of San Diego, California
- City of San Juan Capistrano, California
- City of Santa Ana, California
- City of Santee, California
- City of Seal Beach, California
- City of Solana Beach, California
- City of Stanton, California
- City of Tampa, Florida
- City of Tustin, California
- City of University Park, Texas
- City of Villa Park, California
- City of West Sacramento, California
- City of Westminster, California
- City of Yorba Linda, California
- County of Bartholomew, Indiana
- County of Clark, Nevada
- County of Cook, Florida
- County of DuPage, Illinois
- County of Lake, Illinois
- County of Lexington-Fayette Urban, Kentucky
- County of Miami-Dade, Florida
- County of Orange, California
- County of Pinellas, Florida
- County of Randolph, Florida
- County of Randolph, Indiana
- County of San Diego, California
- County of St. Joseph, Indiana
- County of Will, Illinois
- Louisville/Jefferson County Metro Government
- Los Angeles County Metropolitan Transportation Authority
- Metropolitan Transportation Commission (California)
- Regional Transportation Commission of Southern Nevada
- Regional Transportation Commission of Washoe County (Nevada)
- Sacramento Transportation Authority
- San Diego Association of Governments
- San Diego Unified School District
- San Bernardino Council of Governments
- San Bernardino Transportation Authority
- Texas Department of Transportation
- WestEd

Crowe has worked extensively in the energy and utility industry through audit, internal audit, financial advisory, rate consulting and testimony, grants management, cyber security and privacy, and compliance engagements. Crowe works with a variety of organizations in all major segments of the energy sector. Our client base includes governments, public companies, privately held organizations, and municipal utilities. Our experience includes electric, natural gas, propane, thermal, and water and sewer.

Our specialists offer public sector client’s objective solutions to assist utility organizations including:

- Audit and compliance reporting
- Analyzing revenue requirements and designing rate structures
- Cost of service studies and projections
- Maintaining adherence to accounting standards
- Strengthening information technology security and privacy controls
- Assistance in the sale of municipal debt
- Complying with state and federal regulations



Crowe has breadth of experience in serving over 100 public and private utilities both nationally and locally in California. This includes experience with a variety of compliance and attestation work for organizations such as California Public Utilities Commission, LA Department of Water and Power, Pacific Gas and Electric, and North American Electric Reliability Corporation, to name just a few. In addition, your proposed lead engagement partner, Kathy Lai, has served as the Audit Partner on Metropolitan Water District of Southern California, Riverside Public Utilities and the Association of Bay Area Government Publicly Owned Energy Resources (ABAG POWER).

This table below presents our utility audit, consulting, or compliance experience of the firm and/or members of your proposed engagement team by type of utility provided. This list is solely comprised of standalone utility operations.

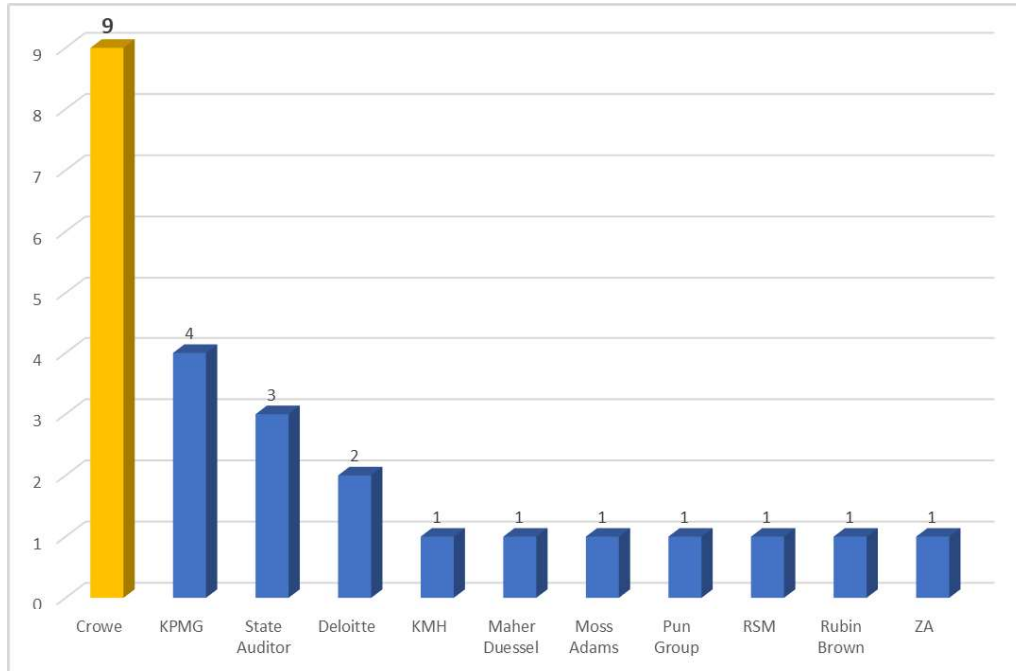
Our experience with utilities as enterprise operations within large local government agencies is detailed below:

Standalone Utility Name	Water	Sewer / Waste	Natural Gas	Electric	Other
ABAG Publicly Owned Energy Resources			X		
American Electric Power				X	
Big Rivers Electric Corporation				X	
California Public Utilities Commission	X			X	
Chesapeake Energy				X	
Citizens Energy Group				X	
Crawfordsville, Indiana Electric				X	
Dallas County Utility and Reclamation District	X				X
Frankfort, Kentucky Plant Board	X			X	X
Greenfield, Indiana Electric				X	
Indiana State Board of Accounts – Audit of <u>70</u> Indiana Utilities	X	X			
Los Angeles Department of Water and Power	X			X	
Louisville Water Company	X				
Louisville-Jefferson County Municipal Sewer District		X			
Metropolitan Water District of Southern California	X				
Nashville Electric Service				X	
North American Electric Reliability Corporation				X	
North Texas Municipal Water District		X			
PGPipeline (FERC Audit)			X		
Richmond, Indiana Power and Light				X	
Riverside Public Utilities	X			X	
Starwood Energy Group, Primary Energy, Lakeside Energy, Canal Generating, RED-Rochester, Buckeye Power and Ohio Rural Electric Cooperatives				X	

Enterprise Operations Experience

Crowe has worked with municipal enterprise operations ranging from transit, airports, water, sewer, power/electric, golf courses and convention centers.

Crowe is a clear leader in serving government enterprise funds like public transportation agencies. Crowe currently audits more of the top 25 largest public transportation authorities in the country (nine) than any other firm by a wide margin.



Crowe Enterprise Fund Audit Clients

- Alameda-Contra Costa Transit District
- Association of Bay Area Governments
- Bay Area Toll Authority
- Chicago Transit Authority
- Clark County Department of Aviation
- Dallas Area Rapid Transit
- Evansville-Vanderburgh Airport
- Foothill Transit (California)
- Fort Wayne-Allen County Airport Authority
- Hamilton County Airport Authority
- Illinois State Toll Highway Authority
- Louisville Water Company
- Louisville-Jefferson County Metropolitan Sewer District
- Lakeland Linder Regional Airport
- Lehigh-Northampton Airport Authority
- Lexington-Fayette Urban County Airport
- Los Angeles County Metropolitan Transportation Authority
- Louisville Regional Airport Authority
- Louisville Riverport Authority
- Metropolitan Atlanta Rapid Transit Authority
- North Texas Municipal Water District
- North Texas Tollway Authority
- Northern Indiana Commuter Transportation District
- Orange County Transportation Authority
- Pace (Illinois)
- Port Everglades
- Ports of Indiana
- Reno-Tahoe Airport Authority
- Sacramento Regional Transit District
- San Francisco Bay Area Rapid Transit District
- San Francisco International Airport
- San Francisco Municipal Transportation Agency
- Texas Department of Transportation
- Utah Transit Authority
- Washington Metropolitan Area Transit Authority

7. Professional staff shall have the appropriate education and auditing experience necessary to conduct audits relative to the scope of work of this RFP, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Each of our accountants is educated in his or her chosen profession and many have advanced degrees or multiple degrees in related areas. In addition, individuals meet or exceed 120 hours of continuing professional education (CPE) every three years. This continuing education helps Crowe personnel stay abreast of current technical developments. Continuous enhancement of the professional skills of our staff supports the firm's overall quality control system. The firm's Compliance Services department maintains full-time personnel to manage licensing and related CPE requirements. Monitoring this process serves to verify that professionals have met their licensing requirements.

We have experience working with clients similar to the City measured in both size and complexity. The learning and development of our people is focused on confirming they have the skills and knowledge from a technical perspective and building their capabilities as a professional in other nontechnical areas such as managing and leading others. Personnel attend classes and conferences on a variety of topics, including the following: generally accepted accounting principles updates from the Financial Accounting Standards Board, auditing standards updates, both from the PCAOB and the AICPA, SEC rules and regulations, governmental and single audit report reviews, updates from the Federal Accounting Standards Advisory Board and the Governmental Accounting Standards Board, financial reporting for not-for-profit and governmental organizations, and compliance auditing. In addition, firm members teach and lead seminars sponsored by national and state professional organizations.

The above individuals have obtained the necessary continuing education needed to perform audits under Government Auditing Standards. We have provided resumes of the individuals listed below in the **Appendix A: Resumes**. The resumes outline education, years of experience, licenses and certifications, professional affiliations, and other relevant experience.

8. The Proposer must be properly licensed for public practice as a certified public accountant in the state of California and the firm and any employee proposed to be assigned to this audit must not have a record of substandard work or unsatisfactory performance pending with the State Board of Accountancy.

Crowe demands integrity, objectivity, competence and due care from its personnel in the conduct of its engagements, whatever their nature. Crowe LLP is a licensed public accounting firm certified by the State of California to practice public accounting in the State of California, is registered, and in good standing with the California State Board of Public Accountancy under license number PAR 7223.

All proposed engagement team members are in good standing with the American Institute of Certified Public Accountants and the California Society of Certified Public Accountants.

A copy of Crowe's license California State Board of Public Accountancy was provided in response to Item **2.6 in Tab A** of this proposal.

9. The Proposer must have undergone an external peer review in accordance with AICPA guidelines and Government Auditing Standards, July 2018 Revision and applicable updates, in the last three (3) years and received an opinion that the firm complied with the applicable standards for audits and attestation engagements. The most recent external peer review report must be included with the submittal.

Crowe is subject to a Peer Review of our audit practice every three years and has been since 1980. Crowe's current external quality control review organization is Cherry Bekaert LLP. Cherry Bekaert LLP has more than 15 offices located primarily in the Southeastern United States. Our most recent peer review was conducted by Cherry Bekaert LLP, for the year ended March 31, 2022, and our Firm received the highest rating. The review included reviews of specific public sector engagements as well as quality control aspects of our Firm's operations. Crowe's peer review report appears in **Appendix B in Tab B** of this proposal.

10. The Proposer must rotate the managing partner on the engagement, if they are the incumbent auditor in order to be compliant with California Assembly Bill 1345 Section 12410.6(b) (AB1345).

Crowe understands that we must rotate the managing partner on the engagement, if they are the incumbent auditor in order to be compliant with California Assembly Bill 1345 Section 12410.6(b) (AB1345). Ideally, the engagement with an external auditing firm will allow for a partnership over time, supporting the needs of the City's boards and commissions in carrying out its fiduciary responsibilities. In the event those charged with governance feels it is necessary, we can certainly offer a partner rotation with another government industry partner. We have four government partners on the engagement, whose resumes have all been included in this proposal. This arrangement would allow for continuity of other engagement team members, which will build upon our knowledge of your institution and allow us to continually refine our approach to your engagement.

11. The Proposer must provide at least three (3) references to demonstrate successful performance for work of similar size and scope as specified in this contract (See Contractor Standards Pledge of Compliance, Section F, item number 7, "Performance References") within the last five (5) years.

As required, we have provided references for three (3) of our clients that we believe have profiles similar to that of the City served during the past five (5) years utilizing the Contractor Standards Pledge of Compliance form in **Tab A** of our proposal. We have provided additional references in response to item **I. References** further in this Tab.

G. Proposers Implementation Plan

Understanding the Work to be Performed

Based upon our review of the request for proposal document, it is our understanding that Crowe will provide the following services:

- Conduct an annual audit of the financial statements included in the City's Comprehensive Annual Financial Report (CAFR) in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; Generally Accepted Accounting Principles (GAAP) in the United States; and the Government Finance Officers Association (GFOA) Certificate of Achievement of Excellence in Financial Reporting.
- Conduct an annual organization-wide financial and compliance audit under the OMB Compliance Supplement and the Super Circular, meeting the required standards as revised by Generally Accepted Audit Standards (GAAS) guidelines and Generally Accepted Governmental Auditing Standards (GAGAS), as issued by the Comptroller General of the United States; including tests of accounting records, a determination of major program(s) in accordance with the Super Circular, and other procedures considered necessary.
- Issue a management letter to the extent considered appropriate, which may recommend improvement in any areas brought to its attention during the course of the audit.
- Issue an audit opinion for each annual report, including: the City of San Diego CAFR; the City of San Diego Sewerage Utility allocation for billing Metropolitan System of the City of San Diego Sewer Utility; and the City of San Diego Appropriation Limit Worksheet (GANN Limit).
- Provide a consent letter allowing for the inclusion of their audit opinion related to a particular City Comprehensive Annual Financial Report in both the preliminary official statement and the final official statement for various City bond offerings, as requested by the City.

Transition Plan

A smooth transition is important to both the City and Crowe. **You have been audited by the same firm for several years** and may have grown accustomed to certain ways of doing things. This is a chance to re-think how you perceive your internal financial management, audit and business partner relationships and start fresh. However, with a change in auditors, both Crowe and the City must be willing to invest the time necessary to properly facilitate change. We expect to make an investment in our relationship which will be mutually beneficial to our organizations.

Upon approval of Crowe as the City’s auditors, we will schedule a planning meeting to meet with management to discuss roles and expectations of Crowe and the City. Other audit planning meetings may be scheduled to discuss specific accounting and financial reporting and to analyze the programs and operational activity as well as tax planning and new developments.

Key elements of an effective transition plan include:

- Developing client and auditor expectations and performance measurements
- Developing time lines for audit services
- Communicating our audit approach

We will move quickly to execute the engagement letter. We will perform our formal due diligence and client acceptance procedures after you have communicated with your previous audit firm. As part of that process we will assist you in requesting that Crowe have access to the current firm’s workpapers and schedule a time to review those workpapers. The above services are included in the fee agreement we have provided.

Financial Audit Approach

We believe a well-planned audit approach is critical to our relationship with the City. Crowe focuses significant efforts in the planning stages of the audit to work closely with City staff in the development of the overall approach, preparation and deliverables.

The audit schedule, developed as part of a thorough planning process, will be adopted by Crowe to meet City’s deadlines. Crowe’s risk-based audit approach includes the following phases followed by a description of specific tasks to accomplish during each phase of fieldwork.



Phase I - Planning

Audit Strategy Development and Entity-level Controls Assessment and Testing

This phase of the audit process includes all pre-engagement activities; the preliminary planning process; refresh our understanding of the City, their environments; evaluating and testing the design of entity-level controls; and identifying significant risks and our planned response to those risks.

Prior to each engagement, we determine whether to accept or continue the client relationship, evaluate our independence, develop a preliminary overall audit strategy, establish an understanding of the engagement terms, and document that understanding in an engagement letter. Once these activities have been completed, we begin our planning process.

Planning affords us an opportunity to work closely with you to develop audit objectives and outline a plan for meeting those objectives. The planning process includes:

- Identifying the areas of audit emphasis;
- Assessing risk and materiality;
- Designing audit techniques and procedures;
- Discussing and assigning responsibilities; and
- Formalizing the reporting timetable.

During planning, we will ask you to identify areas of higher risk, which we will later address by designing specific controls or substantive tests customized to you. The Crowe approach includes direct input from your management team to ensure our understanding of the scope of perceived risk, your perspectives on the risk, and your expectations of the audit.

We will also review your recent audit reports to enhance our efficiency in requesting information and minimize your staff's time during our fieldwork. In addition to meeting with management, we will also make inquiries of those "charged with governance" as required by SAS 114. This standard requires us to communicate the auditor's responsibilities under generally accepted auditing standards and an overview of the planned scope and timing of the audit to the individuals identified as "those charged with governance."

Our Key Audit Planning Steps Include:

- **Entrance Conference.** Designed to give our engagement team an overall understanding of your organization and any concerns or needs that you may have. Kathy, Joseph, Erika, and Orlando will meet with you to coordinate audit timeframes and due dates, as well as determine the level of assistance we need from your staff and management team. A list of interim audit requests will be provided via Exchange shortly after the close of the conference.
- **Preliminary Analytical Review.** Joe and Erika will information obtained from various sources, including conversations with management, review of board minutes and internal financial statements, as well as budgets, to perform a preliminary analytical review of account balances. During the review, we will study trends, percentage changes, ratios, and other financial data relationships through data analytics.
- **Brainstorming Meeting to Discuss Risk of Material Misstatement.** The entire Crowe engagement team, including the signing executive, will meet to discuss the susceptibility of the financial statements to material misstatement due to error or fraud. This meeting allows team members to share knowledge and gain a better understanding of the potential for material misstatement of the financial statements, including how management could perpetrate and conceal fraudulent financial reporting and how assets of the entities could be misappropriated.
- **Assessment of Audit Risk and Materiality Levels.** Audit risk (the risk that an auditor may unknowingly fail to modify its opinion on materially misstated financial statements) and materiality must be considered together in designing the nature, timing, and extent of audit procedures. Joe and Erika will determine our overall level of materiality using professional judgment, with ultimate approval of materiality levels by Kathy. This consideration is influenced by the auditor's perception of the needs of financial statement users and will therefore include both qualitative and quantitative factors. At the end of the audit, we will review any known or likely misstatements and their effect on your financial statements, working with you to determine whether passing on known or likely misstatements will materially affect the financial statements.
- **Documentation of Our Understanding of City and Their Operations.** This is the ongoing process of gathering and analyzing information about the City, the related agencies, and their operations that continues throughout the audit by all members of the engagement team. We will perform risk assessment procedures to gain an understanding of the City, such as regulatory and other external factors, the nature of the entities and its related operations, objectives and strategies and the related operating risks that may result in a material misstatement of the financial statements; measurement and review of the entities' financial performance; and laws and regulations. Our procedures include inquiries, analytical procedures, observation, and inspection.
- **Client Participation Schedule.** Your engagement seniors will provide management a client participant schedule 1-2 months prior to interim and final fieldwork.

The purpose of such schedule is to detail all of the client prepared schedules needed to conduct the audit. We perform such requests via a proprietary secure web-based repository, known as the Exchange solution.

Emerging Transition Points

GASB 94 Public-Private and Public-Public Partnerships (PPPs) and Availability Payment Arrangements

The implementation of GASB 94 was required for the City in 2023. Crowe will continue to assess whether there are any new PPPs or arrangements in fiscal year 2024. PPPs may meet the definition of a lease but not the definition of a service concession arrangement (SCA) and must follow GASB 87. This statement also provides accounting and financial reporting guidance for all other PPP's, whether they meet the definition of an SCA or do not meet the definition of an SCA or lease in GASB 87. Crowe will perform inquiries with management and review applicable agreements to assess GASB 94 applicability throughout the contract years.



GASB 96 Subscription-Based Information Technology (IT) Agreements (SBITA)

The implementation of GASB 96 was required for City in 2023. Crowe will continue to assess whether there are any new SBITA in fiscal year 2024 by inspecting the City's **Gravity system**. This standard, similar to GASB 87, Leases, requires all subscription-based IT agreements to be capitalized. Crowe will perform inquiries with management to ascertain any arrangements for which this may be applicable and will audit recurring expenditures to assess completeness. Crowe will review related agreements for GASB 96 applicability throughout the contract years.

GASB 100 Accounting Changes and Error Corrections

Effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023. This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes.



GASB 101 Compensated Absences

GASB 101 was issued to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. His Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means.

Implementation Guidance Update – 2021-1 q 5.1 & 2023-1

GASB has issued an Implementation Guidance Update – 2023 which is applicable to the City for 2023. Implementation Guides typically introduce new questions and answers, amendments to previously issued questions and answers, and other implementation guidance. Topics relevant to the City includes leases, SBITA, and GASB 100. The City should also be mindful of the Capital Assets implementation guide on the grouping of capital assets exceeding threshold in aggregate.



Revenue and Expense Recognition

GASB has initiated a project to review revenue and expense recognition because common exchange transactions in practice aren't covered in existing GASB literature, GASB 33 and 36 have areas that need to be improved for distinguishing between eligibility requirements and purpose restrictions, whether availability periods are consistent across governments and whether transactions are classified appropriately as exchange or nonexchange transactions. Deliberations are ongoing, and an Exposure Draft is expected March 2025 and final statement is scheduled June 2027.

Phase II - Internal Controls Assessment and Testing

Approach to Gain and Document the Understanding of the Internal Control Structure

Expectations for improved corporate governance have caused governmental organizations to rethink how they manage and control risk. Governments are reviewing the roles and responsibilities of internal audit and newly created internal controls functions to respond to the increased expectations of stakeholders. Crowe’s public sector specialists have the breadth of knowledge and depth of experience necessary to effectively address compliance issues and implement new reporting and disclosure requirements for government organizations.

Crowe uses a risk-based approach to auditing that heavily emphasizes the understanding, corroborating and testing of internal controls to assess risk within the client organization. The primary areas we cover include entity-wide controls, IT controls and specific account or cycle level controls. Account level controls are the policies and procedures that address risks related to one particular type of transactions or accounts. Your proposed engagement seniors and manager will use personal interaction, flowcharting and web-based interactive tools to understand, gather, corroborate and test internal controls in order to assess risk.

Once we have gained an understanding of your controls at the account level, the engagement team will assess inherent risk and expected control risk by assertion. We will then corroborate the information we have collected and evaluate if controls were implemented as designed and that the design is appropriate. Corroboration must be accomplished even when testing of controls will not be performed.

Corroboration includes observing evidence such as documented approvals and any other relevant information that may be retained to show that a control has been implemented as designed. Inquiry alone is not sufficient.

Entity Level IT General Controls- SAP ERP for General Ledger

Planning & Organization	System Acquisition & Implementation	Delivery & Support	Monitoring
<ul style="list-style-type: none"> Strategic Planning and Management Oversight IT policies and Procedures Performance and Capacity Management Segregation of Duties 	<ul style="list-style-type: none"> Project Management System Development / Change Management Testing Processes Vendor Selection 	<ul style="list-style-type: none"> Information Security Physical Security 	<ul style="list-style-type: none"> Vendor Management Problem Management Security Incident Response

Application Level Controls- SAP ERP for General Ledger, SAP Customer Care and Service, and Enterprise SAP Asset Management

Program Development / Change Management	Access to Programs and Data	Operations
<ul style="list-style-type: none"> System Development Life Cycle/Change Management Methodology Release Management Testing User Acceptance Documentation Controls over System Parameters 	<ul style="list-style-type: none"> Security Administration Policies Application Password Controls Application Security Log Reviews Administrative Access to Operating System Operating System Password Controls and Security Logs Database and Source Code Access 	<ul style="list-style-type: none"> Back-up Processes Offsite Media Storage Recovery Procedures Processing Controls Problem Management

Phase III - Performance of Audit Procedures

Based on the risk assessment and interim fieldwork procedures completed in Phase I and II, we then design and perform substantive audit procedures to obtain the required audit evidence to form an opinion on the financial statements. We will test all material balances but will put specific emphasis and effort into areas that we identify as higher risk. Various methods and procedures will be used to complete these tests. During this phase, the following procedures will be completed by proposed engagement seniors and other Crowe staff, with guidance and review by Joe and Erika:

- Determining overall responses to assessed risk of material misstatement for the financial statements as a whole and at the opinion unit level;
- Designing further audit procedures to respond to those risks;
- Testing the operating effectiveness of controls;
- Performing substantive tests.

Based on our understanding and assessment of Entity-level controls, account-level controls, and any fraud risk factors identified, we develop audit procedures and programs clearly linked

Designing Procedures - In designing procedures, we consider factors such as:

- The significance of the risk;
- The likelihood a material misstatement will occur;
- The characteristics of the class of transaction, account balance, or disclosure involved;
- The nature of the specific controls used and whether they are manual or automated;
- Whether we expect to obtain evidence to determine if controls are effective in preventing or detecting material misstatement.

Audit Focus Areas for Municipalities

We recognize that there are certain aspects of a municipality audit that may require attention. During planning, we will discuss possible areas that are unique or higher risk for the City such as:

- **Procurement and Contractual Agreements.** Risks may include noncompetitive procurements, collusion on bid amounts, kickbacks or bribes, contracts with related parties, significant changes in contract terms, and fictitious vendors. We will focus on construction contracts, diesel fuel contracts, maintenance agreements, administration agreements, and operating expenses.
- **Capital Assets/CIP.** Enterprise-wide asset management and risk assessments are a critical part of capital planning as aging capital assets and infrastructure present a significant risk to public transportation organizations. Specific risks include appropriate classification and capitalization of capital assets, including expenses capitalized for current construction projects such as payroll and fringe benefits and construction-period interest.
- **Assets Held for Resale.** Risk of misstatement lies with the determination of ownership of assets. While title usually equates to ownership, facts and circumstances surrounding management of and rights to assets should also be considered. We have experience with treatment of these types of transactions.
- **Operating and Capital Assistance.** The City expends federal grant funds, primarily through HUD Treasury, and DOT grants. We have extensive experience with each of these grant programs.
- **Emphasis will be placed on the internal controls** to reduce the risk of noncompliance and financial reporting errors including unallowable costs, activities allowed matching, procurement, Davis-Bacon, and equipment management/maintenance.
- **Sales and Property Tax Revenue.** The City receives sales and property tax revenue. Many of our other transportation clients receive similar types of city/county funding. Our testing procedures will focus on confirming the revenue ensuring that the underutilized portion is calculated and tracked correctly.

- **Cash Restrictions.** We will test compliance with cash transfers in and out of internally and externally restricted accounts typically associated with debt and construction. This is especially critical when there is new construction taking place.
- **Risk Management.** Many of the typical risks associated with municipalities likely apply to the City as well. We will inquire about any legal issues or disputes, as well as gain an understanding of your various commitments and contracts.
- **Insurance and Self-Insurance.** We will focus on the claim activity and estimates that create the self-insurance liability for workers' compensation and general liability covers and gain an understanding of coverage using any additional commercial insurance.
- **Payroll and Benefits.** These costs represent a significant portion of your operating expenses and is a budgetary line that is subject to fluctuation with managing overtime, sick days, and vacation. A large part of our testing is accomplished by testing the internal controls over all the payroll and human resource processes. We also look at collective bargaining agreements because they have significant impact on the City's business model.
- **Defined Benefit Plans and Other Post-Employment Benefit Plans.** We will work with the City to ensure the accuracy of disclosures and data used in actuarial valuations to ensure amounts are properly presented and calculated.
- **Audit Approach to Compliance with Laws and Regulations.** The audit team will review significant contracts, grants, laws and regulations to determine which are material to the City and subjected to testing. For example, there may be significant state and local laws such as voter-approved taxes (i.e., sales and use) that have a material impact on the financial statements and thus may be subject to compliance testing.

The following is an **excerpt** of the certain audit areas, based on the government-wide statement balances as of June 30, 2023, and example financial statement caption assertions, potential internal control and substantive audit procedure approaches.

Example Key Audit Areas	Inherent Risk Assertions*	Tests of Controls	Substantive Analytical Procedures	Substantive Tests of Details
Cash and Investments	E&O	X		X
Restricted Cash and Investments	E&O, A&C	X		X
Receivables: Taxes, Accounts, Notes, Grants, Leases, PPPs Receivable	E&O, A&C, R&O, V&A			X
Land Held for Resale	E&O, Compl, A&C, R&O, V&A			X
Capital Assets Including Leases and Subscription Based Information Technology Arrangements	E&O, Compl, A&C, V&A		X	X
Inventories	E&O, Compl, A&C, V&A	X		X
Accounts Payable	E&O, Compl, Cut, R&O, V&A	X		X
Liability Claims	E&O, Cut, A&C, R&O, V&A			X
Net Pension Liability	E&O, Compl, Cut, A&C, R&O, V&A			X
Net OPEB Liability	E&O, Compl, Cut, A&C, R&O, V&A			X

Bonds Payable & Debt Refundings	E&O, Compl, Cut, A&C, R&O, V&A			X
Net Position (Net Investment in Capital Assets, Restricted, Unrestricted)	Compl, A&C, V&A,			X
Charges for Services (Governmental and BTA)	E&O, Compl	X	X	X
Operating and Capital Grants and Contributions	E&O, Comp, R&O, V&A			X
General Revenues, such as Property and Sales Tax Revenue	E&O, Compl, Cut, A&C, V&A			X
Expenditures and Business Type Activities Expenses	E&O, Compl, Cut, A&C	X	X	X
Fund Balances	E&O, Compl, Cut, A&C	X		X

***Abbreviations used:** E&O (Existence and Occurrence); Compl (Completeness); Cut (Cutoff); A&C (Accuracy and Classification); R&O (Rights and Obligations); V&A Valuation and Allocation)

Customized Audit Program Elements

In addition to our standard audit programs, we plan to customize our audit approach for specific accounts based on areas and assertions that are considered to be higher risk. Below are example procedures we would include in our audit based on risks we have currently identified.

Restricted Cash and Investments

- 1) Reperform bank reconciliations for all material accounts.
- 2) Confirm cash and investments with custodian of funds.
- 3) Verify entities compliance with Investment Policy and California Government Code.
- 4) Verify appropriate segregation of duties between cash receipts/disbursements, recording of such transactions and bank reconciliations.
- 5) Inquire with management and review Board minutes to identify any cash balances that are restricted by state statutes, local ordinances, resolutions, bond agreements, grant agreements or other legislation.
- 6) Review debt agreements to identify any restricted amounts. (i.e., sinking fund requirements, capitalized interest accounts, outstanding bond funds).
- 7) Review grant agreements to identify timing of receipt of grant funds in relation to the satisfaction of eligibility requirements.
- 8) Review agreement to determine proper classification of funds held.
- 9) Verify that restricted amounts identified are presented accurately.
- 10) Determine if restrictions are classified properly as current and noncurrent.

Due from Other Governments, Grants Receivables, Liabilities Payable from Restricted Assets

- 1) Obtain a listing/schedule of due from other governments and grants receivable that reconciles to the general ledger.
 - a) Test mathematical accuracy of reconciliation.
 - b) For all items over scope, obtain subsequent cash receipt (if available) and review support to determine if the amount is appropriately recorded as a receivable at year-end.
- 2) Obtain a listing/schedule of unearned grants revenue that reconciles to the general ledger.
 - a) Test mathematical accuracy of reconciliation.
 - b) For all items over scope, obtain related MOU or advance agreement obtain cash receipt and review support to determine if the amount is appropriately recorded as unearned at year end.

Capital Assets - Construction in Progress

- 1) Obtain a listing or sub ledger of construction-in-progress projects.
- 2) Select a sample of projects included within construction in progress and verify that they have not been placed into service.
- 3) For projects that had material renovations, verify that the corresponding items in service were removed.
- 4) For selected projects with no current activity, inquire with client on status of project and if the project should remain in the listing.

Operating Expenses

- 1) For expenses incurred under contractual service agreements, perform substantive analytical procedures using executed contract rates to recalculate the annual amount of expenditures.

Phase IV - Completion, Accumulation of Results, and Reporting

After completing audit procedures, the engagement team will perform certain procedures necessary to conclude the audit.

These procedures include performing final analytical procedures, performing a subsequent events review, evaluating attorney letter responses, assisting in preparing financial statements, and obtaining representations from management. During this phase, the auditor also accumulates all known and likely uncorrected misstatements, other than those that are trivial, and considers the nature and amount of the misstatements in relation to the affected opinion unit. The objective of the evaluation of uncorrected misstatements is to determine whether the financial statements taken as a whole and those of each opinion unit are free of material misstatement. Uncorrected misstatements will be communicated to those charged with governance at the conclusion of the audit. Also, during this phase, the engagement team will evaluate identified control deficiencies and determine whether these deficiencies, individually or in combination, are significant deficiencies or material weaknesses based upon both quantitative and qualitative factors. The significance of a control deficiency depends on the potential for a misstatement, not on whether a misstatement actually has occurred. Any significant deficiencies or material weaknesses must be communicated in writing to those charged with governance.

The audit culminates in our report on your audited financial statements, which will include an opinion on the fair presentation of the basic financial statements as they conform to accounting principles generally accepted in the United States of America. As determined by requirements of "Government Auditing Standards" issued by the comptroller general of the United States (the "Yellow Book 2024"), we will also include a report on compliance of your internal control structure with applicable laws and regulations based on the auditors' understanding of the control structure.

At the completion of the audit, we expect to submit draft reports to management.

We reviewed the prior year reports provided in an addendum to the RFP and are prepared to submit similar draft reports to management at the completion of the audit. This would also management letters, which will offer recommendations to improve internal controls, administrative efficiencies, and profitability; and a report on matters required by SAS 114, which includes a discussion of new accounting procedures implemented, proposed audit adjustments, significant audit estimates, and any additional applicable items.

Once the reports have been reviewed by management and are approved in final form, we will be available to meet with those charged with governance to review the reports and address questions. Auditing standards require the auditor's report not be dated earlier than the date on which the auditor has obtained sufficient appropriate audit evidence to support the opinion.

Single Audit Approach

The Crowe audit team has experience with more than 100 single audit clients in California and with several Federal and state cognizant agencies. During the audits, we have worked closely with a variety of Federal agencies including the U.S. Housing and Urban Development, U.S. Health and Human Services, U.S. Department of Transportation, U.S. Department of Treasury, and many others. Specifically, your engagement team has extensive experience auditing the Community Development Block Grants/Entitlement Grants, Highway Planning and Construction program, Equitable Sharing, and COVID related grants. Members of our engagement team have direct experience auditing these complex federal grants at large organizations.

- \$2.4 billion – Los Angeles County MTA
- \$768 million – Clark County, Nevada
- \$679 million – San Francisco Bay Area Rapid Transit District
- \$380 million – Dallas Area Rapid Transit
- \$358 million – San Diego Unified School District
- \$340 million – Orange County Transportation Authority
- \$154 million – San Bernardino Council Governments
- \$141 million – Regional Transportation Commission of Southern Nevada
- \$103 million – San Diego Association of Governments
- \$62 million – Clark County Department of Aviation
- \$53 million – City of Las Vegas
- \$43 million – Reno-Tahoe Airport Authority
- \$29 million – Regional Transportation Commission of Washoe County
- \$26 million – City of North Las Vegas

As many of your grants are passed through the California Department of Transportation, the experience of your partner and manager performing the Single Audit will assist with providing a unique perspective of your grantor/pass-through entity and the areas of compliance that are significant to your organization.

Your proposed engagement partner has trained over 1,000 California grant professionals on the new requirements of the Uniform Guidance. She is a frequent speaker for the National Grant Management Association and California Society of Municipal Finance Officers on this topic. Such trainings included both the administrative and cost principles as well as audit provisions of Subpart F. Crowe is a member of the AICPA Government Audit Quality Center focusing on Single Audit emerging issues. Members of our firm have conducted national AICPA webinars on the implementation of the Uniform Guidance. Crowe has also delivered a 5-part webinar series on the Uniform Guidance. Our goal is a smooth execution of our client’s Single Audit through timely upfront education on emerging federal grant issues.

Agency	Program Title
Agriculture	<ul style="list-style-type: none"> • National School Lunch Program • School Breakfast Program • Special Milk Program for Children • Special Supplemental Nutrition Program for Women, Infants & Children • Summer Food Service Program for Children
Defense	<ul style="list-style-type: none"> • National Guard Military Operations and Maintenance (O&M) Projects
Education	<ul style="list-style-type: none"> • Adult Education (Federal Basic, EL Civics) • Career and Technical Education – Basic Grants to States • Carl D. Perkins Vocational Education • Federal Direct Student Loans • Higher Education Act • Pell Grant • Federal Family Educational Loans (Stafford, Unsubsidized Stafford Loans, Parent Plus Loans) • Federal Work Study • Federal Perkins Loans

	<ul style="list-style-type: none"> • Health Profession Student Loans • IDEA (Preschool, Flow-through, Room and Board) • TRIO • Title I Low Income • Title I Grants to Local Educational Entities • Title I Reading First • Title II Teacher Quality • Title IV 21st Century • Rehabilitation Services Vocational Rehabilitation Grants to States • Vocational and Technical Education Act
Environmental Protection Agency	<ul style="list-style-type: none"> • State Revolving Fund Loan Program • Capitalization Grants for Clean Water State Revolving Funds • Capitalization Grants for Drinking Water State Revolving Funds • Water Infrastructure Finance and Innovation (WIFIA)
FEMA	<ul style="list-style-type: none"> • Disaster Programs • Emergency Preparedness Programs • Emergency Snow Removal • Fire Management Assistance Grant • Homeland Security Grant Program • Port Security Grant Program • Presidential Declared Disaster Assistance to Individuals and Households Other Needs • Staffing for Adequate Fire and Emergency Response
Homeland Security	<ul style="list-style-type: none"> • Learn and Serve America, School and Community Based Programs • State Domestic Preparedness Equipment Support Program
Housing and Urban Development	<ul style="list-style-type: none"> • Community Development Block Grants/Entitlement Grants • Community Development Block Grants/Small Cities Program • Continuum of Care Program • Emergency Solutions Grant Program • Home Investment Partnership Program • Housing Opportunities for Persons with AIDS • Section 8 Housing Choice Vouchers • Section 108 Loan Guarantees
Health and Human Services	<ul style="list-style-type: none"> • Adoption Assistance • Block Grants for Prevention and Treatment of Substance Abuse • Child Support Enforcement • Child Care and Development Fund • Consolidated Health Centers • Community Services Block Grants • Epidemiology & Laboratory Capacity for Infectious Diseases • Head Start • Medical Assistance Program • Medicaid Matching • State Survey and Certification of Health Care Providers and Suppliers • Temporary Assistance for Needy Families

Justice	<ul style="list-style-type: none"> • Asset Forfeiture Program • Byrne Formula Grant Program • Crime Victim Assistance • Local Law Enforcement Block Grant • Rehabilitation Services Vocational Rehabilitation Grants to States
Labor	<ul style="list-style-type: none"> • Community Based Job Training • WIA Adult Program • WIA Youth Activities • WIA Dislocated Workers • Workforce Innovation and Opportunity Act (WIOA) Cluster • Unemployment Insurance
Science	<ul style="list-style-type: none"> • National Science Foundation
Transportation	<ul style="list-style-type: none"> • Airport Improvement Program • Appalachian Development Highway System • Clean Fuels • Highway Planning and Construction • Federal Transit – Capital Investment Grants • Federal Transit – Formula Grants • National Infrastructure Investments
Treasury	<ul style="list-style-type: none"> • Assets Forfeiture Program • Coronavirus Relief Fund • Coronavirus State and Local Fiscal Recovery Funds • Emergency Rental Assistance Program • Equitable Sharing

The following is a summary of our Single Audit approach:

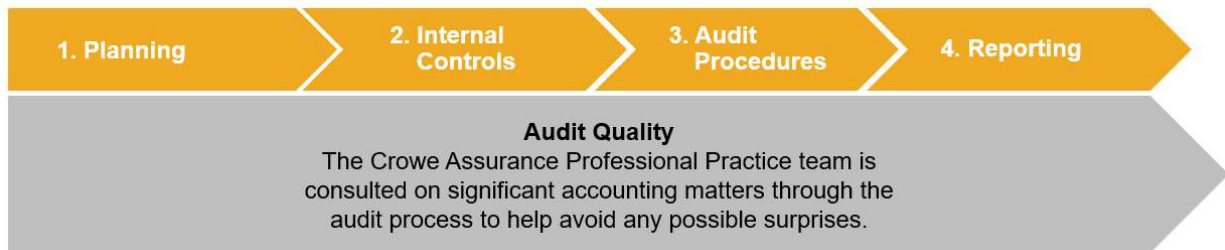
We will begin our Single Audit procedures and program specific grant procedures by developing a comprehensive understanding of laws and regulations that have a direct, material effect on the determination of amounts in your financial statements. This understanding will be based on:

- Identification of Federal/state award programs and total federal/state expenditures;
- Determination of major Federal award programs;
- Discussions with your staff;
- Review of Board minutes, prior audits, and grant and contractual agreements; and
- Review of the relevant Federal program requirements from the “Compliance Supplement” issued by the Office of Management and Budget and the “Catalog of Federal Domestic Assistance.”

Crowe’s Single Audit approach is based on guidance available in the Uniform Guidance and Government Auditing Standards issued by the Comptroller General of the United States. When testing your major federal/state programs, we follow the suggested audit procedures included in the Compliance Supplement. For Federal or state programs for which guidance is not available, we will establish programs using applicable grant agreements and federal regulations.

Key Elements of the Single Audit Process

Crowe's audit team will work closely with your management team through the entire Single Audit process, which includes the following elements:



Phase I – Planning

- Gain an understanding of your compliance environment related to your major Federal/state grants;
- Review your grant life-cycle process for Federal and other grant programs;
- Assess risk related to Federal programs;
- Conduct a brainstorming session in accordance with SAS 99, including Federal grant program administration;
- Obtain the preliminary Schedule of Expenditures of Federal Awards (SEFA);
- Review your prior year SEFA and Schedule of Findings and Questioned Costs;
- Prepare an analysis of Federal programs according to type (i.e., Type A or Type B Program);
- Determine major programs by type based on the audit risk analysis in the assessment performed; and
- Determine the reliance to be placed on your systems of internal control for Federal and other grant programs through documentation and control testing.

Phase II – Internal Controls over Compliance

- Review audit programs from the Compliance Supplement to determine adequacy;
- Review and document the requirements of the programs to be tested;
- Revise programs as necessary based on program requirements;
- Interview staff, management, counsel, and officials based on planning;
- Determine sample selection methodology and the types of procedures that will be performed;
- Select the transactions and documents for testing;
- Perform the internal control over compliance procedures as documented in the audit programs;
- Document testing results; and
- Evaluate the results of testing and determine areas that require further examination.

Phase III – Compliance Audit Procedures

- Perform the procedures for direct and material requirements as documented in audit programs;
- Document testing results;
- Evaluate the results of testing and determine areas that require further examination;
- Establish the review protocol for evaluation of results;
- Review potential findings and questioned costs and communicate with your management;
- Review compliance requirements and compare expected results to the exceptions noted to evaluate materiality; and
- Draft a summary of the testing results.

Phase IV - Reporting

- Review Federal, state, and other grant reporting requirements;
- Determine which internal control findings are significant deficiencies or material weaknesses;
- Prepare findings and draft the auditor's reports;
- Review draft reports with your management; and
- Evaluate management feedback and proposed corrective action, make revisions as necessary, and finalize the reports.

Agreed Upon Procedures

The agreed-upon procedures will be performed in accordance with attestation standards established by the American Institute of Certified Public Accountants. For the GANN Limit, Crowe will ensure that the City of San Diego Appropriation Limit Worksheet (GANN Limit) been properly calculated.

For the City's Central Store inventory records, we will be assisting the Office of the City Auditor to comply with the San Diego Municipal Code requirement Article 2, Division 5, Section 22.0501. We will ensure that these agreed upon procedures get completed alongside the other deliverables.

San Diego Sewerage Utility

Crowe will provide an opinion on the City of San Diego Sewerage Utility allocation for billing Metropolitan System of the City of San Diego Sewer Utility by ensuring that costs have been properly allocated to the participating agencies.

Crowe uses audit sampling when applying an audit procedure to less than 100% of the items within an account balance or class of transaction for the purposes of performing a substantive procedure to validate such balance or class of transaction. Sampling is performed as a substantive test of detail, during tests of controls and also as a dual-purpose test (test for controls and compliance).

Sample sizes of items to test that are representative of the population will be determined as early as possible to provide your staff with sufficient time to pull the requested documentation. We utilize guidelines established by the AICPA and professional auditing standards, which specify requirements for statistical and non-statistical sampling, to perform tests of internal controls and substantive tests as part of the audit of your financial statements.

We will select a representative sample of all the Operating Expenses for the Municipal and Metropolitan System based on the different categories (Transmission, Treatment and Disposal, Quality Control, Engineering, etc.)

Otay Mesa (Enhanced Infrastructure Financing District) EIFD Deliverable

Crowe understands that the Otay Mesa Enhanced Infrastructure Financing District Public Financing Authority is a component unity of the City of San Diego. For this separate stand-alone deliverable. Crowe has allocated resources to ensure that we calculate separate thresholds to ensure accounts within the stand-alone reporting are being tested, alongside the Annual Comprehensive Financial Report audit.

The following is **an excerpt** of the certain audit areas, based on the Otay Mesa EIFD statement balances as of June 30, 2023, and example financial statement caption assertions, potential internal control and substantive audit procedure approaches.



Example Key Audit Areas	Inherent Risk Assertions*	Tests of Controls	Substantive Analytical Procedures	Substantive Tests of Details
Cash and Investments	E&O	X		X
Receivables: Taxes, Accrued Interest				
Accrued Expenses	E&O, Compl, Cut, R&O, V&A	X		X
General Revenues, such as Property and Interest Income	E&O, Compl, Cut, A&C, V&A			X
Expenditures (General Government Support)	E&O, Compl, Cut, A&C	X	X	X
Fund Balances (Restricted for Capital Projects and Other)	E&O, Compl, Cut, A&C			X

*Abbreviations used: E&O (Existence and Occurrence); Compl (Completeness); Cut (Cutoff); A&C (Accuracy and Classification); R&O (Rights and Obligations); V&A Valuation and Allocation)

Technology and Innovation

Crowe Insight Center for Audit®

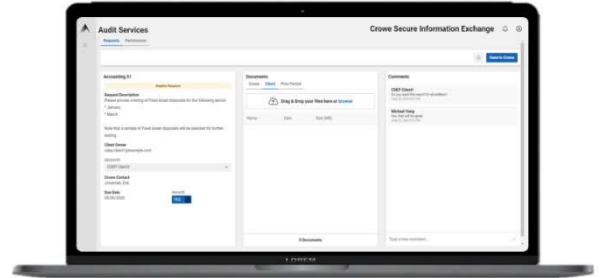
The Crowe Insight Center for Audit® platform is our internal audit workpaper system that combines innovative technology with functional knowledge and industry expertise. This advanced audit platform, along with Crowe Secure Information Exchange, enhances audit quality, facilitates a more effective process, and enables our auditors to have deeper insight into higher-risk areas. While our clients do not interact with the Crowe Insight platform directly, they indirectly reap the benefits experiences by our audit teams through a more efficient and tailored audit approach.

		
Methodology	Workflow	Communication
<p>Focuses on the underlying transaction data that's most important to financial reporting</p> <p>Identifies errors, outliers, and areas of risk earlier so they can be addressed sooner</p>	<p>Produces an effective workflow and exchange of information</p> <p>Streamlines and enhances the data and document collection process</p> <p>Minimizes redundancy and omissions</p> <p>Allows greater flexibility of data intake to help minimize disruption of client operations</p>	<p>Improves the audit process through enhanced, centralized communication and information-sharing</p> <p>Reduces confusion about work-paper requests by creating a smooth exchange and tracking of information between an organization and its Crowe auditors</p>

Crowe Secure Information Exchange (Crowe Exchange)

In most engagements, a significant amount of time is spent gathering key documents, data, reports, and reconciliations and responding to questions. To meet the challenges of managing this complex information-gathering process, Crowe has developed a state-of-the-art solution called the **Crowe Exchange**.

- Multi-factor authentication (MFA), one of the most effective controls in the industry to protect against cyber threats.
- An effective workflow and management of information exchange.
- Streamlines the data and document collection process.
- Reports status updates through dashboards with easy-to-use navigation.
- Centralizes communication and information sharing.
- Documents and tracks requests and historical records.
- Giving you the option of managing workflow through a centralized individual who can assign and delegate requests to other company personnel. This lets you track project activity by assigned individual, due date, and status with a user-friendly, easy-to-use, dashboard interface so you can quickly view and monitor project progress.



Crowe Exchange is a secure, **web-based interface that facilitates timely communication and effective project management.**

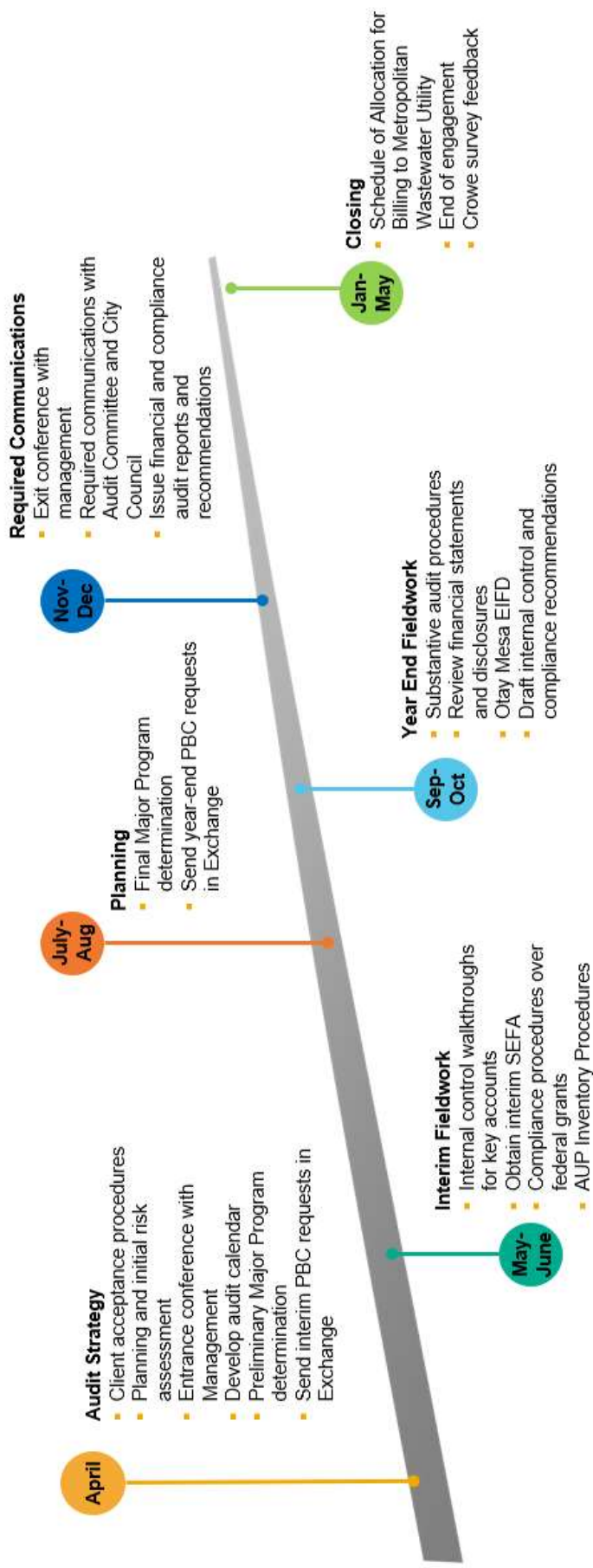


Timeline

Upon engagement, we will conduct a planning session to develop an audit calendar that meets the needs of the Council and management. We will agree upon all due dates and timelines with you during the planning meeting. Our goals for the engagement are timely completion and no surprises for the City. We do not have concerns with meeting this deadline assuming a level of preparedness by the City.

As a general summary – the following summary of our proposed timeline is based on our years of working with other Cities. We are open to any changes the City would like to see made to our proposed timeline. While this outline is related only to the financial statement audit. By creating a detailed timeline in the planning stages of the engagement, we are able to agree upon all due dates and establish mutual accountability.

**City of San Diego
Audit Timeline**



The City of San Diego Audit Timeline		April	May- June	July- August	September	October	November	December	January - May
Planning- April 2024									
Task 1	Entrance Conference Prework – Prior to meeting, we will perform the following in preparation:								
1.1	Review all prior year audit reports with GASB Technical Reviewers and summarize observations.								
1.2	Review predecessor audit workpapers and summarize observations.								
1.3	Review all publicly available City Council meetings for FY 2024 and identify emerging issues and potential impact on financial accounting, reporting and compliance.								
1.4	Review all other external and internal audits performed during FY 2024 and consider results in risk assessment and summarize impact on audit procedures.								
1.5	Identify and summarize all accounting and auditing standards to be implemented in FY 2024 and future years. Present at entrance conference and discuss implementation plan with management.								
Task 1	Entrance Conference – At the meeting, we will share the results of our prework and accomplish the following:								
1.6	Obtain management update on recent developments in FY 2024 and impact on financial accounting, reporting and compliance. For example: <ul style="list-style-type: none"> • Timing of valuations: OPEB, Pension, Risk Management • GASB 100 implementation plan • Implementation guide 2021-1 question 5.1 • Significant new projects • System conversions or upgrades 								
1.7	Establish and confirm audit timeline, deliverables, introduce key City and Crowe personnel roles and responsibilities, and expectations.								
1.8	Crowe to gain understanding and establish connections with the blended component units included within the City: <ul style="list-style-type: none"> • Civic San Diego, • Convention Center Expansion Financing Authority, • Public Facilities Financing Authority, • San Diego Facilities and Equipment Leasing Corporation, 								

The City of San Diego Audit Timeline		April	May- June	July- August	September	October	November	December	January - May
	<ul style="list-style-type: none"> San Diego Industrial Development Authority, San Diego Convention Center Corporation, Tobacco Settlement Revenue Funding Corporation, and Enhanced Infrastructure Financing District Public Financing Authority 								
1.9	Introduce and provide a demonstration of Crowe Exchange. We will provide our PBC list for interim fieldwork through Crowe Exchange and establish key City audit liaison(s) for document exchange. Crowe Exchange will be a key project management tool to facilitate the audit progress and promote transparency and accountability for both Crowe and the City.								
Interim Fieldwork- May & June 2024									
Task 2	Interim Test work- with Weekly Progress Reports								
2.1	Crowe to conduct interviews with management over key internal control cycles and identify key internal controls for testing. Walkthroughs required an evaluation of the design and implementation of internal controls. If appropriate, select a sample and test operating effectiveness of internal controls.								
2.2	Identify any internal control observations and recommendations and determine impact on related key accounts and nature, timing and extent of additional substantive procedures.								
2.3	Identify and obtain understanding of financially significant IT systems and identify and test IT general controls and application controls upon which the audit team will rely.								
2.4	Obtain interim Schedule of Expenditures of Federal Awards (SEFA). For identified major programs of the Single Audit (if any this fiscal year), obtain an understanding of and test the design and operating effectiveness of key internal controls over direct and material compliance requirements in accordance with the Uniform Guidance. If possible, conduct compliance testing through interim period.								
2.5	Draft Management Comment Letter – Provide City a draft of any internal control recommendations identified previously.								
2.6	Crowe will perform Agreed Upon Procedures on the City's Central Store inventory records to comply with the San Diego Municipal Code requirement Article 2, Division 5, Section 22.0501 before the end of								

The City of San Diego Audit Timeline		April	May- June	July- August	September	October	November	December	January - May
	fiscal year. The results will be presented to the Office of the City Auditor, and the report will be presented during a separate Audit Committee meeting.								
2.7	Detailed Audit Plan - Draft Auditor to provide draft detailed Year End Work plan to City no later than second week of August.								
2.8	Management to provide comments on draft Work plan to Auditor no later than 4 th week of August.								
2.9	Crowe to provide Final Work plan and PBC list for final fieldwork through Crowe Exchange by end of August. This will include the identification of external confirmations to be prepared by the City.								
2.10	Crowe will start collaborating with the CU (such as the San Diego Housing Commission) auditor to ensure that audit group communications and requirements are being met.								
2.11	Per RFP, Crowe will also attend Audit Committee meetings (estimated at 12 per year) and City Council meetings (estimated at 2 per year) when requested to provide oral presentations regarding the progress and results of the audits, at no additional cost to the City.								
	Audit Progress Conduct weekly status meetings to monitor audit progress. We will review the progress based on key audit areas. Also, we will discuss any audit adjustments, new internal control recommendations since interim and impact on nature, timing and extent of further audit procedures. We will monitor the status of the PBC list in Crowe Exchange . Crowe Exchange has an interactive dashboard that provides a heat map color coded by audit area progress that facilitates accountability and keeps City and Crowe on track.								
Final Fieldwork- September- October 2024									
Task 3	On-Site Audit Work- with Weekly Progress Reports								
3.1	For key accounts, perform substantive audit procedures, including sampling, substantive analytics, data analytics and/or external confirmations. Few example key accounts include: <ul style="list-style-type: none"> • Cash and investments • Accounts Receivable • Accounts Payable 								

The City of San Diego Audit Timeline		April	May- June	July- August	September	October	November	December	January - May
	<ul style="list-style-type: none"> • Pensions/OPEB • Capital Assets • Leases • PPPs • Liability Claims • Loans Payable • Revenues/Expenses • Statement of Expenditures of Mandatory Fees • Legal Services Trust Fund • Fiduciary Component Units San Diego City Employees' Retirement System (SDCERS) and the Successor Agency of the Former Redevelopment Agency of the City of San Diego. • Compliance audit on the Otay Mesa EIFD <p>See Audit Work Plan of Proposal for example detailed audit procedures related to key accounts. Rollforward internal control and compliance testing for financial statement audit and single audit.</p>								
3.2	<p>Continue interim testing and finalize compliance audit procedures based on the Compliance Supplement on all Direct and Material compliance requirements from Title 2 CFR 200, such as Allowable Cost/Activities Allowed/Unallowed, Cash Management, Eligibility, Reporting, Procurement, Subrecipient Monitoring, Special Test and Provision, etc.</p>								
3.3	<p>Audit Progress Conduct weekly status meetings to monitor audit progress. We will review the progress based on key audit areas. Also, we will discuss any audit adjustments, new internal control recommendations since interim and impact on nature, timing and extent of further audit procedures. We will monitor the status of the PBC list in Crowe Exchange. Crowe Exchange has an interactive dashboard that provides a heat map color coded by audit area progress that facilitates accountability and keeps City and Crowe on track.</p>								
Reporting- November 2024									
Task 3.4	Draft Financial Statements – City to provide draft financial statements, notes and required supplementary schedules for all								

The City of San Diego Audit Timeline		April	May- June	July- August	September	October	November	December	January - May
	deliverables noted provided to Crowe the first week of October and final draft by third week of November.								
3.5	Crowe will review the financial statement drafts and ensure all key accounts and disclosures are materially correct in accordance with generally accepted accounting principles (GAAP), California Government Codes and supported through sufficient and appropriate audit evidence.								
3.6	Crowe will provide recommendations to the City on identified gaps in compliance with GAAP.								
3.7	Crowe will provide draft copy of the opinion by second week of December.								
3.8	Crowe to compile the Uniform Guidance Reports (if any this fiscal year) for the City and provide to management for review and response to schedule of findings, if applicable.								
Task 4	Crowe to provide final drafts of the Independent Auditor’s Report, GAGAS Report to management. Per RFP, Crowe understands that the fieldwork specified in Exhibit B, section D, item 1 Annual Audit and the issuance of the related written auditor’s opinion shall begin upon receipt by the selected Proposer of an approved Purchase Order and shall be completed by Proposer within two (2) months from the date the Comptroller provides a full draft ACFR for review for each fiscal year audited.								
Task 5	Crowe to provide final draft Single Audit opinion for the City and draft data collection form (Federal single audit clearing house). Per RFP, Crowe understands that The fieldwork specified in Exhibit B, section D, item 2 Single Audit and the issuance of the related written auditor’s opinion shall be completed two (2) weeks prior to the deadline established under OMB Compliance Supplement and Uniform Guidance								
Task 6	Management Comment Letters – For all entities, Crowe provide letter to management with reportable audit observations and recommendations from both interim and final fieldwork. Obtain management responses and corrective action plan.								
Task 7	Crowe to provide final report for financial and compliance audit on Otay Mesa EIFD Deliverables and the corresponding management letter.								

The City of San Diego Audit Timeline		April	May- June	July- August	September	October	November	December	January - May
Completion – December 2024									
Task 8	Exit Conference Crowe will meet with executive management to debrief the audit results and related audit findings, if applicable, and finalize management letter comments and responses.								
Task 9	Final copies of Audit Reports and Required Communications - Crowe will provide audit reports noted in Task 4 and required communications presentation to management for delivery to the Members of the City Council.								
Task 10	Formal Presentation of Audit Report to City Council - Crowe Lead Engagement Partner to present the audit results and required communications to Members of the City Council and address any questions regarding the audit engagement.								
10.1	Conduct debrief regarding City Council's client service experience with Crowe. Identify any positive processes where desirable outcomes were achieved and likewise any opportunities for improvement for the audit process. Crowe will summarize collective feedback and incorporate into the Client Service Plan for subsequent engagements.								
Schedule of Allocation for Billing to Metropolitan Wastewater Utility- by May 2025									
Task 11	Perform fieldwork for the City of San Diego Public Utilities Department (the PUD) operates and maintains the Metropolitan Wastewater System (the Metropolitan System) and the Municipal Wastewater Collection System (the Municipal System). Crowe LLP will collaborate with the participating agencies if necessary, such as to complete the Schedule. <ul style="list-style-type: none"> • City of Chula Vista • City of Coronado • City of Del Mar • City of El Cajon • City of Imperial Beach • City of La Mesa • City of National City • City of Poway • Lemon Grove Sanitation District Otay Water District • Padre Dam Municipal Water District San Diego County Sanitation District 								

The City of San Diego Audit Timeline		April	May- June	July- August	September	October	November	December	January - May
Task 12	<p>Issuance of the Schedule of Allocation for Billing to Metropolitan Wastewater Utility - The fieldwork specified in Exhibit B, section D, item 4.2 The City of San Diego Sewerage Utility allocation for billing Metropolitan System of the City of San Diego Sewer Utility to ensure that costs have been properly allocated to the participating agencies shall be completed within five (5) months after the issuance of the ACFR opinion, or at a time mutually agreed upon between the City and Proposer in writing.</p>								

H. As-Needed Auditing Services

1. Provide, if available and at the discretion of the City, additional auditing services related to the scope of work and in accordance with this RFP.

1.1 As-Needed auditing services may be required on an as-needed basis throughout the term of the contract, such as any additional related entity audits, as required, which would be included as part of the comprehensive Annual Audit (fees to be negotiated in accordance with the provision of this agreement). The City and the Proposer(s) shall mutually agree on as-needed auditing services.

Crowe understands that at the discretion of the city we may be asked to perform additional auditing or “as-needed” services related to the scope of work of this RFP. Crowe understands that all additional auditing or “as-needed” services are included as part of the comprehensive Annual Audit and the prior to commencing additional services, we will obtain your approval and agreement on the scoping and pricing. we have provided hourly rates by position for the proposed services as well as any additional auditing or “as-needed” services. Finally, Crowe understands that “As-Needed Auditing Services” are not considered in the evaluation for award of the contract.

2. Proposers shall provide, as an attachment to the Price Schedule and in accordance with Exhibit B, section D, their pricing for additional auditing services within the scope of work as outlined in this RFP and as detailed in proposer’s response. The attachment shall include hourly rates by position and the rates shall be valid for the duration of the contract. Fees for any additional work upon the Contract Administrator’s request will be negotiated and agreed to at the time prior to commencement of any audit work. Include a complete hourly labor rate for all Contractor staff or subcontractor(s) staff identified and listed. Auditable hourly rates for each listed position, Contractor or subcontractor(s) are to be fully burdened to include all costs and profit.

Crowe has provided our proposed fees utilizing **Pricing Schedule** forms provided in the **Exhibit B - Scope of Work** section of the RFP in **Tab C** of this proposal. In addition to the **Pricing Schedule** forms,

3. Proposer response to As-Needed Auditing Services shall not be considered in the evaluation for award.

Crowe has provided our proposed fees utilizing **Pricing Schedule** forms provided in the **Exhibit B - Scope of Work** section of the RFP in **Tab C** of this proposal. In addition to the **Pricing Schedule** forms,

The rest of this page has been left intentionally blank.

I. References

Quality work based on strong functional competency and deep expertise is the core element of creating value for our clients. Quality service involves prompt and efficient service delivery and effective communication with clients.

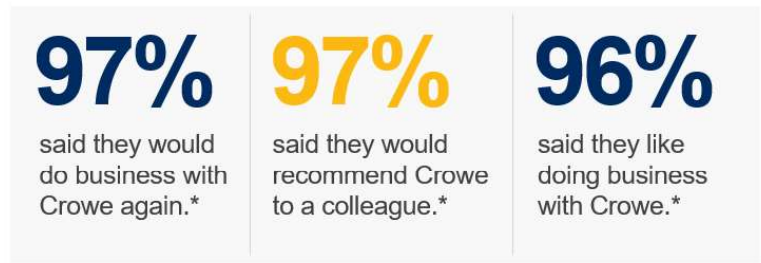
Crowe has delivered value to our clients for more than 80 years by listening to their needs and developing a comprehensive understanding of their businesses and would appreciate the opportunity to do the same for you.

As required, we have provided references for three (3) of our clients that we believe have profiles similar to that of the City served during the past five (5) years utilizing the Contractor Standards Pledge of Compliance form in **Tab A** of our proposal.



OUR COMMITMENT TO CLIENTS

Clients are at the center of everything we do.



* Nearly 900 completed client surveys – 2024

San Diego Association of Governments

Contact	Mr. Andre Douzdjian Chief Financial Officer 619.699.6931 Andre.Douzdjian@sandag.org
Contract Date	FY2018 – FY2022
Project Description	GFOA ACFR, Federal Program Compliance, Fund and Component Unit Audits, Agreed Upon Procedures, TDA Claimant Audits
Approx. Contract Amount	\$1,000,000

San Diego Unified School District

Contact	Ms. Jodie Macalos Executive Director, Finance 619.725.7646 jmacalos@sandi.net
Contract Date	FY 2015 - Present
Project Description	Financial Statements, Federal Program Compliance, State Compliance, Bond Audits
Approx. Contract Amount	\$1,300,000

City of Las Vegas

Contact	Ms. Arianna Rodriguez Mora Accounting Manager 702.229.6802 armora@lasvegasnevada.gov
Contract Date	FY 2021 – Present
Project Description	GFOA ACFR, Federal Program Compliance, Redevelopment Agency Financials
Approx. Contract Amount	\$900,000

We have also provided three (3) more references to further provide our qualifications.

Association of Bay Area Governments Metropolitan Transportation Commission	
Contact	Ms. Arleicka Conley Section Director, Finance & Accounting 415.778.6795 aconley@bayareametro.gov
Contract Date	FY 2020 – Present
Project Description	GFOA ACFR and Federal Program Compliance
Approx. Contract Amount	\$1,500,000

City of Beverly Hills	
Contact	Ms. Tatiana Szerwinski Assistant Finance Director 310.285.2416 tszerwinski@beverlyhills.org
Contract Date	FY 2017 - Present
Project Description	GFOA ACFR, Federal Program Compliance, GANN
Approx. Contract Amount	\$500,000

Clark County	
Contact	Ms. Anna Danchik Comptroller 702.455.3323 Anna.Danchik@ClarkCountyNV.gov
Contract Date	FY 2019 - 2022
Project Description	GFOA ACFR, Federal Program Compliance
Approx. Contract Amount	\$1,400,000

J. Technical Representation

The Technical Representative for this Contract is identified in the notice of award and is responsible for overseeing and monitoring this Contract.

K. Post Award Kick-Off Meeting

1. Proposer receiving award under this solicitation may be required to attend a post award kick-off meeting within ten (10) calendar days after award of contract to be scheduled by the Contract Administrator or designee.

1.1. The Technical Representative or designee shall communicate the date, time, location, and agenda for this meeting to proposer.

If awarded Crowe agrees to attend a post award kick-off meeting within ten (10) calendar days after the contract is signed. Crowe Understand that the Technical Representative will communicate the date, time, location and agenda for this meeting to Crowe.



Tab B - Appendix A: Resumes

We have provided resumes for the proposed client service team on the following pages.



Katherine V. Lai
CPA, CGMA – Partner

Direct 714.668.5376
kathy.lai@crowe.com
www.crowe.com

Profile

Ms. Lai is a highly accomplished licensed CPA and CGMA public accounting professional of diverse experience derived from providing assurance services to large, complex state and local governmental entities, higher education institutions, school districts, utilities and not-for-profit organizations.

Professional and Industry Experience

With over 23 years of experience in public accounting, Ms. Lai has led the audits of some of the largest governments in California, including State of California (Single Audit), City of Los Angeles, City of Long Beach, City of Las Vegas, City of Riverside, City of San Francisco, Orange County, Los Angeles County, Clark County, Metropolitan Water District, LADWP, and SANDAG. Among 400,000 CPA's nationwide, Ms. Lai had been appointed by the AICPA to serve on a select national 15-member State and Local Government Expert Panel. Through her participation with the AICPA, she has been accredited with contributions to authoring the AICPA State and Local Government Audit Guide, including the newest Pension Chapter to address the complex GASB pension standards, compiling AICPA comment letters to GASB on emerging standards and presenting webcasts for the AICPA Governmental Audit Quality Center. Other examples of Ms. Lai's thought leadership includes presenting to over 1,000 Californians on the complexities of the Uniform Guidance and pandemic related funding, and emerging GASB pronouncements through her involvement with the California Society of Municipal Finance Officers (CSMFO), National Grants Management Association (NGMA) and tailored client trainings.

Education & Certifications

- Bachelor of Arts in Economics, emphasis in Accounting
 - University of California, Los Angeles
- Certified Public Accountant (CPA)
- Chartered Global Management Accountant (CGMA)
- License Number – 92761 (California)

Client Focus

Services:

- Audit
- Consulting

Industries:

- Public Sector

Professional Affiliations

- AICPA State and Local Government Expert Panel | Past Member
- California Society of Certified Public Accountants (CalCPA) | Member
- California Society of Municipal Finance Officers (CSMFO) | Member
- Government Finance Officers Association (GFOA) | Member
- National Grant Management Association (NGMA) | Member
- International Society of Filipinos in Finance and Accounting (ISFFA) | Executive Board Member, Founder

Client Listing

Kathy has served on numerous large, complex governmental entities, higher education institutions, school districts, utilities, not-for-profit organizations and consumer markets entities. A representative list of current and past clients served includes:

PUBLIC SECTOR

Governments

- State of California
- County of Los Angeles
- County of Orange
- County of San Bernardino
- County of San Diego
- County of San Mateo
- City and County of San Francisco
- City of Anaheim
- City of Beverly Hills
- City of Burbank
- City of Culver City
- City of Cupertino
- City of Fresno
- City of Garden Grove
- City of Huntington Beach
- City of Las Vegas
- City of Long Beach
- City of Los Angeles
- City of Riverside
- City of Santa Ana
- City of Santa Monica
- City of South Pasadena

Utilities

- Metropolitan Water District of Southern California
- Los Angeles Department of Water and Power
- Los Angeles Sanitation District
- Riverside Public Utilities
- Santa Ana Water Department
- Long Beach Water Department
- OC Waste and Recycling
- West Valley Sanitation District

Seaports

- Port of Los Angeles
- Port of Long Beach

Transportation

- Burbank-Glendale-Pasadena Airport Authority
- Clark County Department of Aviation (Harry Reid International Airport)
- John Wayne Airport
- Long Beach Airport
- Long Beach Transportation Company
- Los Angeles County Metropolitan Transportation Authority Los Angeles World Airports
- Metrolink
- Metropolitan Transportation Commission
- Regional Transportation Commission of Southern Nevada
- Riverside County Transportation Commission
- San Bernardino County Transportation Authority
- San Diego Association of Governments
- Santa Monica Big Blue Bus
- Transportation Corridor Agencies

Education

- California State University
- Los Angeles Community College District
- Los Angeles Unified School District

Nonprofits

- Survivors of the Shoah Visual History Foundation
- Operation Hope
- AIDS Healthcare Foundation
- Long Beach Aquarium of the Pacific
- Regional Center of Orange County
- Inland Regional Center

CONSUMER MARKETS

- Occidental Petroleum Company
- Guess
- Princess Cruises
- California Tan
- Deckers Outdoor Corporation



Jeffrey A. Jensen
CPA – Partner

400 Capitol Mall, Suite 1400
Sacramento, California 95814
Direct 916.492.5162
Fax 916.441.1110
jeff.jensen@crowe.com
www.crowe.com

Profile

Mr. Jensen has over 23 years of experience in the government audit practice. He directs the audit process for over 30 government clients, including school district, community colleges, school districts, special districts and municipalities.

Mr. Jensen also actively works with the firm's not-for-profit clients including private foundations and statewide trade associations.

Professional and Industry Experience

Mr. Jensen specializes in audits requiring compliance with OMB Uniform Grant Guidance and regularly leads internal training related to new and existing requirements.

He conducts performance audits for over 15 large governmental agencies. In connection with these performance audits, large samples of expenditures made from bond proceeds are agreed to supporting documentation and evaluated to ensure that expenditures are allowable under the terms of the bond agreement.

Mr. Jensen also assists in designing special projects to evaluate internal control processes and provide recommended improvements.

Publications and Speaking Engagements

- Association of College Business Officials | Speaker
- Community College Internal Auditor Conference | Speaker
- California Association of School Business Officials Conference | Speaker
- Association of School Business Officials International | Speaker
- Texas Association of School Business Officials | Speaker

Education & Certifications

- Bachelor of Science, Business Administration/Accounting
 - California State University | Fresno, California
- Certified Public Accountant (CPA)

Client Focus

Services:

- Audit

Industries:

- Public Sector

Professional Affiliations

- American Institute of Certified Public Accountants
- California Society of Certified Public Accountants
- California Association of School Business Officials
- Texas Association of School Business Officials

Community Involvement

- Youth Development Network | President



Kevin W. Smith
CPA – Partner

Kevin.W.Smith@crowe.com
www.crowe.com

Profile

Mr. Smith is an audit partner and is in charge of Crowe's National Government Audit Practice.

Professional and Industry Experience

Mr. Smith has more than 30 years of experience providing both advisory and financial statement and compliance audits to local governmental entities receiving federal awards. He is a former member of the AICPA's State & Local Government Expert Panel.

Professional Affiliations

- American Institute of Certified Public Accountants | State and Local Government Expert Panel, Government Accounting and Auditing Conference Planning Committee Member
- Texas CPA Society | Member
- Government Finance Officers Association | Certificate of Excellence Reviewer
- Government Finance Officers Association of Texas | Financial Reporting and Regulatory Compliance Committee, Program Development Committee
- Association of Government Accountants | Member
- The Southwest School of Government | Past Advisory Board Member

Education & Certifications

- Bachelor of Science, Accounting
 - East Central University | Ada, Oklahoma
- Certified Public Accountant (CPA)

Services:

- Financial Statements
- Compliance Review
- Internal Audit

Industries:

- Public Sector

Representative Client Listing:

- City of Cedar Hill
- City of Cleburne
- City of Denton
- City of Frisco
- City of Richardson
- City of University Park
- Dallas Area Rapid Transit
- Dallas Fort Worth International Airport
- North Texas Tollway Authority
- California State Teachers Retirement System
- Florida State Board of Administration – Retirement Trust
- State of Arkansas - State Wide CAFR
- State of Arkansas - Division of Legislative Audit
- Texas Department of Transportation
- Central Texas Turnpike System
- Texas Mobility Fund



Scott R. Nickerson
CPA, CGMA – Partner

scott.nickerson@crowe.com

www.crowe.com

Profile

Mr. Nickerson has over 32 years of experience and is a partner in our Audit business unit serving clients locally, regionally and nationally with a focus on the Public Sector. He is also the leader for our Indianapolis audit practice.

Professional and Industry Experience

In addition to assurance-related services, Mr. Nickerson's experience includes speaking and consulting on accounting and financial reporting topics, audit preparation, CAFR preparation, A-133 compliance, cost allocation, accounting systems, internal control processes, and budgeting.

Professional Affiliations

- American Institute of Certified Public Accountants
- Indiana CPA Society
- Government Finance Officers Association
- Association of Government Accountants

Education & Certifications

- Bachelor of Science, Accounting
 - University of Dayton | Dayton, Ohio
- Certified Public Accountant (CPA)
- Chartered Global Management Accountant (CGMA)

Mr. Nickerson participates in continuing professional education courses to meet requirements with applicable State, AICPA and Government Auditing Standards (GAS) regulations.

Client Focus

Services:

- External Audit
- Assurance and Advisory
 - Financial Reporting
 - Accounting Consulting
 - Performance Audit
 - Agreed-upon procedures
 - Compliance Risk Monitoring
 - OMB Circular A-133
 - Business Process

Industries:

- Public Sector
- Government
 - Transportation
 - Bus & Rail
 - Airport Authorities
 - Municipal Governments
 - Public Finance and P3s
 - Economic Development
 - Energy
 - Education
 - Housing & Finance
- Not-for-Profit
 - Trade and Member
 - Foundations
 - Economic Development
 - Cultural and Religious
 - Human Services

Community Involvement

- Archdiocese of Indianapolis
- Bishop Chatard Board of Regents
- St Pius X Catholic Church
- Indiana Youth Institute



Tony Boras
CPA – Partner

tony.boras@crowe.com
www.crowe.com

Profile

Mr. Boras is a partner in Crowe’s national office. Mr. Boras provides technical guidance on governmental and not-for-profit accounting and auditing matters to the firm’s professionals and clients. He also participates in the firm’s internal quality review and performs preissuance reviews of audit engagement deliverables.

In recognition of his technical expertise, Mr. Boras has been appointed as Chair of the AICPA State and Local Government Expert Panel. He has more than 24 years of total experience.

Professional and Industry Experience

Mr. Boras has experience with many types of governmental entities, including cities, counties, townships, K-12 school districts, public 4-year universities, community colleges, public risk insurance pools, joint power authorities, state and local pension & other postemployment benefit plans, transportation and other business type activity entities. He also has extensive experience with not-for-profit entities, including private colleges, foundations, and social service organizations.

He is a technical leader and provides guidance with the following service offerings:

- Audits under Generally Accepted Government Auditing Standards (GAGAS)
- OMB Uniform Guidance
- Compliance Examinations
- Performance Audits

He is the Chair of the AICPA’s State & Local Government Expert Panel.

Education & Certifications

- Bachelor of Science in Accounting
 - Marquette University | Milwaukee, Wisconsin
- Certified Public Accountant (CPA)

Client Focus

Services:

- Assurance Services
- External Audit
- Consulting

Industries:

- Public Sector:
 - Municipal Government
 - Transportation
 - Higher Education
 - School Districts
 - Joint Powers Authorities
 - Not-for-Profit

Publications and Speaking Engagements:

Mr. Boras has authored newsletters and comment letters to accounting proposals on behalf of Crowe. He has also developed and/or lead Continuing Education Training programs related to:

- Financial Reporting
- Uniform Guidance Auditing
- Yellow Book
- GASB Statement Implementation

Professional Affiliations:

- American Institute of Certified Public Accountants (AICPA) | State and Local Government Expert Panel
- Illinois CPA Society | Governmental Report Review Committee | Government Content Advisory Group
- Government Finance Officers Association | Special Review Committee



Brian R. Archambeault
CPA – Partner

brian.archambeault@crowe.com
www.crowe.com

Profile

Mr. Archambeault is a partner in Crowe’s national office. In his role he is responsible for the firm’s quality control function applicable to public sector audits, which includes matters related to accounting, auditing, ethics, independence, audit quality and inspections, as well as professional standards consultation process. He also oversees the preparation of Firm responses to proposed accounting and auditing standards impacting not-for-profit organizations and governments.

Prior to joining Crowe’s national office, he served as a senior manager in the public sector services audit practice. He has more than 25 years of total experience.

Professional Affiliations

- American Institute of Certified Public Accountants (AICPA)
- Indiana CPA Society
- American Institute of Certified Public Accountants | Government Audit Quality Center Executive Committee

Publications and Speaking Engagements

- Presents at many internal Crowe trainings for professional staff
- Authors newsletters and comment letters to accounting proposals on behalf of Crowe

Professional and Industry Experience

Mr. Archambeault has experience with many types of governmental entities, including cities, counties, townships, K-12 school districts, public 4-year universities, community colleges, transportation, public risk insurance pools, state pension & other post-retirement benefit plans. He also has experience with not-for-profit entities, including private colleges, foundations, social service organizations, and healthcare entities.

He is a technical leader and provides guidance with the following service offerings:

- Audits under Generally Accepted Government Auditing Standards (including Performance Audits)
- OMB Circular A-133 / Uniform Guidance
- Audits under the Consolidated HUD Audit Guide
- Agreed Upon Procedures & Compliance Examinations

He is a member of the AICPA’s Government Audit Quality Center Executive Committee.

Education & Certifications

- Bachelor of Business Administration, Accountancy
 - University of Notre Dame | Notre Dame, Indiana
- Certified Public Accountant (CPA)



Joseph K. Widjaja
CPA – Audit Senior Manager

Direct 714.668.5365
joseph.widjaja@crowe.com
www.crowe.com

Profile

Mr. Widjaja has approximately 14 years of private/public accounting and auditing experience. Mr. Widjaja is a Senior Manager and has led and supervised audit engagement teams, conducted financial audits, federal and state compliance audits, and agreed upon procedures for government entities and not for profit agencies. Mr. Widjaja has served various local governments, including municipalities, transportation entities, school districts and county offices of education.

Professional and Industry Experience

Mr. Widjaja has experience in planning, supervising, executing and reporting on audits of financial statements prepared in accordance with GASB and FASB. He provides one-on-one client service for any questions on accounting matters throughout the year and researches technical issues in relation to accounting guidance, GASB, FASB, Uniform Guidance, and other emerging accounting and financial reporting matters. He has served as an instructor for in-house training programs. Mr. Widjaja is also part of firm wide quality control inspector conducting firmwide internal inspection. He has extensive experience in performing federal compliance audits (Single Audit) for various state and local government entities.

Professional Affiliations

- American Institute of Certified Public Accountants
- California Society of Certified Public Accountants
- California Society of Municipal Finance Officer

Education & Certifications

- Master of Business Administration, Concentration: Finance
 - California State of Polytechnic | Pomona, California
- Bachelor of Arts, Business Economics
 - University of California | Irvine, California
- Certified Public Accountant (CPA)
- License Number - 128176 (California)

Client Focus

Services:

- Financial Statement Audit
- GASB/FASB
- Uniform Guidance/Single Audit
- Agreed Upon Procedures
- Compliance Examination

Industries:

- Public Sector Services
- Transportation Authorities
- State and Local Governments
- School Districts
- Not-for-Profits
- Joint Power Authorities

Community Involvement

- Ridgewood Village- Board Member
- Dream Center- Member
- LA Works- Active Member
- International Full Gospel Fellowship- Volunteer Coordinator



Erika Alvarez
CPA – Senior Manager

erika.alvarez@crowe.com
www.crowe.com

Profile

Ms. Alvarez has over five years of general accounting experience and an additional nine years of public accounting auditing experience. She is an audit senior manager specializing in providing governmental auditing, accounting and consulting services to the public sector. Her engagements include those performed in accordance with Government Auditing Standards. Additionally, Ms. Alvarez also specializes in conducting Single Audits in accordance with the Uniform Guidance.

Client Focus

Services:

- Audit
- Attestation
- Uniform Guidance Compliance

Industries:

- Public Sector
- Government
 - Transportation

Professional and Industry Experience

Ms. Alvarez has developed a thorough knowledge of various government organizations, their internal control structures and operations, through the clients in which she serves. This deep specialization allows her to bring efficiency to her audit engagements and assists in building a tailored risk-based audit approach.

She also has extensive experience working with a variety of governmental transportation agencies on the West Coast.

Sample Clients:

- Alameda Contra-Costa Transit
- Los Angeles County Metropolitan Transportation Authority
- Orange County Transportation Authority
- San Diego Association of Governments

Professional Affiliations

- American Institute of Certified Public Accountants
- California Society of Certified Public Accountants

Education & Certifications

- Bachelor of Science, Economics
 - Arizona State University | Tempe, Arizona
- Certificate in Accounting
 - University of California, Los Angeles – Extension | Los Angeles, California
- Certified Public Accountant (CPA)



Danny Kim
CPA - Manager

Danny.kim@crowe.com
www.crowe.com

Profile

Mr. Kim has approximately eight years of public accounting and auditing experience. Mr. Kim has led and supervised audit engagement teams, conducted financial audits, federal and state compliance audits, and agreed upon procedures for government entities and not for profit agencies.

Professional and Industry Experience

Mr. Kim has experience in planning, supervising, executing and reporting on audits of financial statements prepared in accordance with GASB. He has extensive experience in performing federal compliance audits (Single Audit) for various state and local government entities.

Professional Affiliations

- American Institute of Certified Public Accountants
- California Society of Certified Public Accountants

Education & Certifications

- Master of Accounting
 - University of Southern California | Los Angeles, California
- Bachelor of Arts, Business Management
 - Case Western Reserve University | Cleveland, Ohio
- Certified Public Accountant (CPA)

Client Focus

Services:

- Uniform Guidance / Single Audit
- Financial Statement Audit
- Agreed Upon Procedures

Industries:

- Public Sector Services
- School Districts
- State and Local Governments
- Joint Power Authorities
- Not-for-Profits



Kathleen San Andres
Senior Staff

kathleen.sanandres@crowe.com
www.crowe.com

Profile

Ms. San Andres has six years of private/public accounting and auditing experience. Ms. San Andres is a Senior Staff and has performed procedure related to financial statement audits, federal and state compliance audits, and agreed upon procedures. Ms. San Andres has served over 30 local governments, including transportation entities, municipalities, and local education entities. Ms. San Andres is a lead Senior on OCTA, Metropolitan Transportation Commission and San Bernardino County Transportation Authority financial and compliance audits.

Client Focus

Services:

- Financial Statement Audit
- Uniform Guidance
- Performance Audit
- Agreed-Upon-Procedure

Industries:

- Public Sector Services
- State and Local Government
- Not-for-Profit

Professional and Industry Experience

Ms. San Andres has been responsible for engagement planning and management in the public sector entities. Her experience includes auditing financial statements, auditing compliance and internal controls over compliance in accordance with Government Auditing Standards and Uniform Guidance and financial statement preparation.

Education & Certifications

- Bachelor of Arts, Administration Accounting Concentration
 - California State University | San Bernardino



Johnson Chung
CPA – Senior Staff

johnson.chung@crowe.com
www.crowe.com

Profile

Mr. Chung has approximately five years of experience ranging from commercial clients to those in State and Local government. He has performed procedures related to financial statement audits, single audit, and agreed upon procedures.

Professional and Industry Experience

Mr. Chung has experience in the preparation of financial statements in accordance with GASB, including the planning, performance, and reporting of the audit. He has attended numerous in-house GASB trainings and has experience in the restructuring of firm procedures surrounding standards such as GASB 75. Mr. Chung also has experience in the performance of single audit for a wide array of agencies and has performed other agreed upon procedures.

Professional Affiliations

- American Institute of Certified Public Accountants
- California Society of Certified Public Accountants

Education & Certifications

- Master of Science, Accounting
 - La Sierra University | Riverside, California
- Bachelor of Science, Accounting
 - La Sierra University | Riverside, California
- Certified Public Accountant (CPA)

Client Focus

Services:

- Financial Statement Audit
- Uniform Guidance/ Single Audit
- State Controllers Reports
- Agreed Upon Procedures

Industries:

- Public Sector
- Higher Education
- Manufacturing and Distribution

Community Involvement

- Crowe Learn2Lead Mentor
- Crowe Internship Mentor
- Crowe Southern California ABRG Committee Member
- ISFFA Los Angeles Chapter Member



Nathan Chupp
Senior Staff

nathan.chupp@crowe.com
www.crowe.com

Profile

With five years of auditing experience, Mr. Chupp is a Senior Audit staff primarily specializing in state and local governments. Mr. Chupp has performed procedures related to financial statement audits, single audit, national transit database, and other agreed upon procedures. Before his time at Crowe, Mr. Chupp has had accounting experience with the construction industry.

Client Focus

Services:

- Audit
- Uniform Guidance
- National Transit Database

Industries:

- Public Sector
- Manufacturing and Distribution

Professional and Industry Experience

Mr. Chupp has experience in the preparation of financial statements in accordance with GASB, including the planning, performance, and reporting of the audit. He has attended numerous in-house GASB trainings, and also assists with designing the firmwide approach to auditing the implementation of new GASB pronouncements. Mr. Chupp also has experience in the performance of national transit database procedures for a wide array of agencies and has performed other agreed upon procedures.

Community Involvement

- Second Harvest Food Bank of Orange County

Education & Certifications

- Bachelor of Science, Accounting; emphasis in Applied Mathematics
 - University of Redlands | Redlands, California



Bernestine, Martin
Senior Staff

Martin.bernestine@crowe.com
www.crowe.com

Profile

Mr. Bernestine has approximately four years of experience ranging from Not for Profit to those in State and Local government. He has performed procedures related to financial statement audits, single audits, and agreed upon procedures. Mr. Bernestine is the lead senior for City of Beverly Hills, Clark County Regional Flood Control District, Regional Transportation Commission of Southern Nevada, City of Las Vegas and Clark County.

Client Focus

Services:

- Financial Statement Audit
- Uniform Guidance/ Single Audit
- Agreed Upon Procedures

Industries:

- Public Sector Services
- Not for Profit
- Manufacturing and Distribution

Professional and Industry Experience

Mr. Bernestine has experience in supervising Single Audit and Financial Statement Audits including management of client communications. Martin has assisted in the auditing of complicated transactions including debt refundings, Federal compliance transactions, and State compliance transactions.

Professional Affiliations

- American Institute of Certified Public Accountants
- California Society of Certified Public Accountants

Education & Certifications

- Certified Public Accountant (CPA)
- Business Administration, Accounting
 - California State University San Bernardino | San Bernardino, California



Orlando Lopez
Senior Staff

Orlando.lopez@crowe.com
www.crowe.com

Profile

Mr. Lopez has more than four years of experience and provides audit services to a number of clients in various industries including government, not-for-profits, benefit plans, and higher education.

Professional and Industry Experience

Mr. Lopez has been responsible for engagement planning and management, with a focus in the public sector entities. His experience includes auditing financial statements, auditing compliance and internal controls over compliance in accordance with Government Auditing Standards and Uniform Guidance, and financial statement preparation.

Professional Affiliations

- American Institute of Certified Public Accountants

Education & Certifications

- Bachelor of Science, Accountancy and Finance
 - California State University | Sacramento, California

Client Focus

Services:

- Audit
- Financial reporting
- Compliance reporting

Industries:

- **Government**
- **Higher Education**
- **Not-for-profit**
- **Benefit Plans**

Community Involvement:

- Volunteer Income Tax Assistance
- Volunteer, Sacramento Loaves and Fishes
- Volunteer, Sacramento Powerhouse Science Center



Liam Darwin
Senior Staff

liam.darwin@crowe.com
www.crowe.com

Profile

Ms. Darwin has three years of experience ranging from transportation to state and local governments. Liam has performed procedures related financial statement audits, single audits and agreed upon procedures. Example clients served include OCTA, LOSSAN, San Bernardino County Transportation Authority, San Diego Association of Governments and Transportation Corridor Agencies.

Client Focus

Services:

- Financial Statement Audit
- Uniform Guidance
- Performance Audit
- Agreed-Upon-Procedure

Industries:

- Public Sector Services
- State and Local Government
- Not-for-Profit

Professional and Industry Experience

Mr. Darwin has been responsible for engagement planning and management in the public sector entities. His experience includes auditing financial statements, auditing compliance and internal controls over compliance in accordance with Government Auditing Standards and Uniform Guidance and financial statement preparation.

Education & Certifications

- Bachelor of Science, Accounting
 - University of Redlands | Redlands, CA



Rich Perilloux
CISA – Partner (Principal)

rich.perilloux@crowe.com
www.crowe.com

Profile

Mr. Perilloux is a Partner (Principal) in Crowe's Audit and Assurance Practice with over 20 years of experience in Information Technology (IT) Auditing and has a Certified Information Systems Auditor (CISA) certification.

Professional and Industry Experience

Mr. Perilloux has specialized in IT Assurance and Consulting services including IT controls evaluation in support of financial statement audits, attestation services (SOC, AUP), Sarbanes-Oxley consulting services, IT risk management consulting, and internal audit outsourcing. His primary focus is on IT Assurance for financial statement audits and attestation services, including SOC reporting. In the emerging area of digital assets, he has a specialized focus on IT risks and impact to financial statement audits; and is involved in the firm's development of audit methodology for digital assets. Rich participates as a working group member in the AICPA's digital assets committee, helping to draft guidance for auditing digital assets.

In addition to client service, Mr. Perilloux has national roles at Crowe in both the IT Audit methodology team and IT Audit Quality Assurance file inspection team.

Publications and Speaking Engagements

- Speaker, Crowe events and industry conferences

Professional Affiliations

- Information Systems Audit and Control Association
- Member of AICPA's Digital Asset Auditing Subgroup Committee
- Wallstreet Blockchain Alliance

Education & Certifications

- Bachelor of Science
 - College of Business, Louisiana State University | Baton Rouge, Louisiana
- Certified Information Systems Auditor (CISA)
- License Number – NA

Client Focus

Services:

- Financial Statement Audit (IT Specialist)
- SSAE18 and SOC 2 Reports

Industries:

- Financial Services
- FinTech
- Digital Assets
- Public Sector



Cassandra Taylor
CISA – Senior Manager

cassandra.taylor@crowe.com
www.crowe.com

Profile

Ms. Taylor is an IT Assurance Senior Manager in Crowe' IT Assurance Audit group. Since joining the firm, Cassandra has provided clients across multiple industries with assistance in IT audits and risk services. She is predominately responsible for assessing client's general information technology controls (ITGC) from both an external and internal standpoint. Furthermore, Ms. Taylor evaluates the client's system development practices, ensuring that they comply with all appropriate federal regulations and requirements. She is also well-versed in vendor management, user access management, logical access, and business continuity management.

Client Focus

Services:

- IT Financial Audit Support
- IT SOX Reviews
- SOC 1 and 2 Assessments

Industries:

- Financial Services
- Commercial
- Government

Professional and Industry Experience

- Performed internal and external control assurance, including financial/application audit and business/operation process control reviews for Sarbanes-Oxley (SOx)
- Performed readiness, type 1, and type 2 for organizations annual Service Organization Controls Report (SOC1 and SOC 2)
- Assessed, evaluated, and audited clients financial applications to determine the reliance of the application
- Assessed, evaluated and audited Information Technology General Controls (ITGC), including logical access, physical access, and operations
- Performed a conversion/system acquisition for related to client business combinations

Professional Affiliations

- Information Systems Audit and Control Association

Education & Certifications

- Bachelor of Science, Information Management and Technology
 - Syracuse University | Syracuse, New York
- Certified Information Systems Auditor (CISA)



Tab B - Appendix B: Peer Review

We have provided our most recent peer review reports on the following pages.

Due to varying file types, this page will not be reflected in the Table of Contents.

Report on the Firm's System of Quality Control

To the Partners of Crowe LLP
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Crowe LLP (the "Firm") applicable to engagements not subject to Public Company Accounting Oversight Board ("PCAOB") permanent inspection in effect for the year ended March 31, 2022. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants ("Standards").

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a system review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported on in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The Firm is responsible for designing and complying with a system of quality control to provide the Firm with reasonable assurance of performing and reporting in conformity with the requirements of applicable professional standards in all material respects. The Firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported on in conformity with the requirements of applicable professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of and compliance with the Firm's system of quality control based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act; audits of employee benefit plans; audits performed under Federal Deposit Insurance Corporation Improvement Act of 1991 (FDICIA); and examinations of service organizations (SOC 1[®] and SOC 2[®] engagements).

As a part of our peer review, we considered reviews by regulatory entities as communicated by the Firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Crowe LLP applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended March 31, 2022, has been suitably designed and complied with to provide the Firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)*, or *fail*. Crowe LLP has received a peer review rating of *pass*.



Cherry Bekaert LLP
September 29, 2022



October 20, 2022

Mark Baer
Crowe LLP
225 W Wacker DR Ste 2600
Chicago, IL 60606-1228

Dear Mark Baer:

It is my pleasure to notify you that on October 13, 2022, the National Peer Review Committee accepted the report on the most recent System Review of your firm. The due date for your next review is September 30, 2025. This is the date by which all review documents should be completed and submitted to the administering entity.

As you know, the report had a peer review rating of pass. The Committee asked me to convey its congratulations to the firm.

Thank you for your cooperation.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael Wagner", written in a cursive style.

Michael Wagner
Chair, National PRC

+1.919.402.4502

cc: Jeffrey Sabetta, Jennifer Allen

Firm Number: 900010014904

Review Number: 592839

Tab C - Cost / Price Proposal



Cost / Price Proposal

L. Pricing

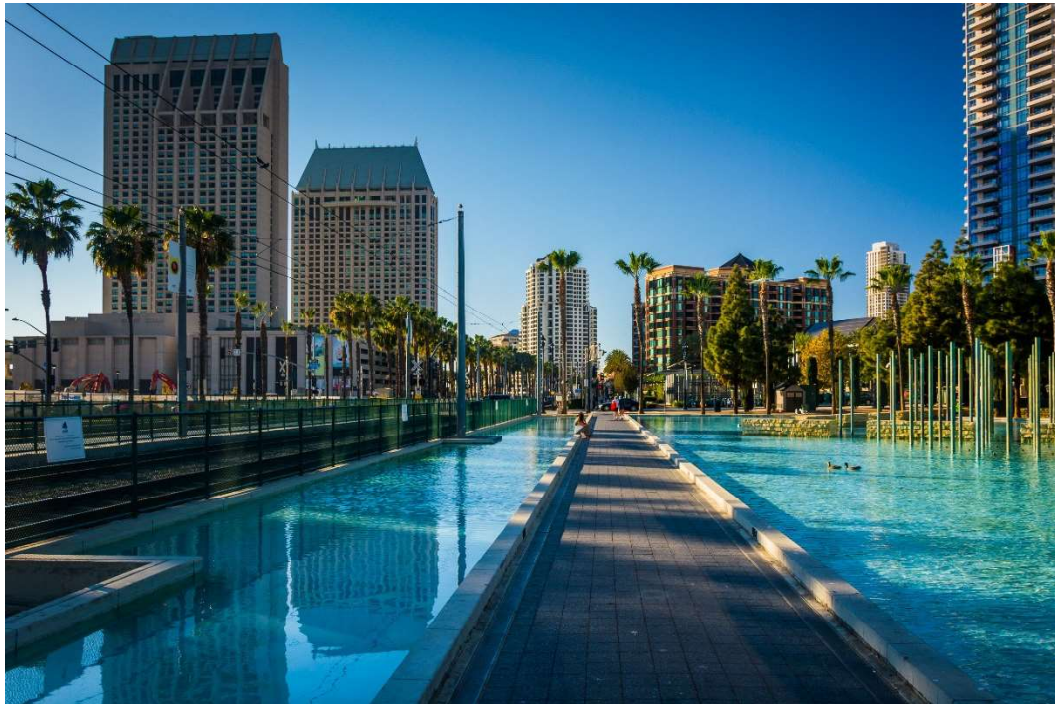
Our goal in setting fees is simple: to provide long-term, cost-effective pricing for our clients. We are confident that we can work together to achieve an optimized plan for audit services.

We are committed to working with you to make sure the scope of our proposal is appropriate. While we experience cost increases throughout our relationships with our clients, we make every effort to structure an engagement fee arrangement which will meet your needs while providing us with sufficient resources to perform the expected work.

In a time of economic uncertainty, and the City's responsibility to contain costs, Crowe is committed to keeping our costs reasonable and fair.

M. Price Schedule

As requested, we have provided our pricing utilizing the **Price Schedule** form provided with the RFP on the following pages.



M. PRICE SCHEDULE.

Contractor shall submit pricing on the Price Schedule form provided herein, completed in its entirety, to be considered responsive to this RFP. Any deviations from the Price Schedule may be considered non-responsive and unacceptable.

1. Fixed Pricing for Core Requirements and Deliverables as Specified in Exhibit B, Section D, Items 1-4 and 7-8.

Item No.	Description	Fixed Price FY 2024 (lump sum total)	Fixed Price FY 2025 (lump sum total)	Fixed Price FY 2026 (lump sum total)	Fixed Price FY 2027 (lump sum total)	Fixed Price FY 2028 (lump sum total)	Fixed Price Grand Total
1.1.	Professional Audit Services (as specified in Exhibit B, section D.1.)	\$ 395,000	\$ 414,750	\$ 435,488	\$ 457,262	\$ 480,125	\$ 2,182,624
1.2.	Professional Audit Services (as specified in Exhibit B, section D.2.)	\$ 60,000	\$ 63,000	\$ 66,150	\$ 69,458	\$ 72,930	\$ 331,538
1.3	Professional Audit Services (as specified in Exhibit B, section D.3.)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
1.4.	Professional Audit Services (as specified in Exhibit B, section D.4.1.)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
1.5.	Professional Audit Services (as specified in Exhibit B, section D.4.2)	\$ 50,000	\$ 52,500	\$ 55,125	\$ 57,881	\$ 60,775	\$ 276,282
1.6	Professional Audit Services (as specified in Exhibit B, section D.4.3	\$ 5,000	\$ 5,250	\$ 5,513	\$ 5,788	\$ 6,078	\$ 27,628
1.7	Professional Audit Services (as specified in Exhibit B, section D.7	\$ 30,000	\$ 31,500	\$ 33,075	\$ 34,729	\$ 36,465	\$ 165,769
1.8	Professional Audit Services (as specified in Exhibit B, section D.8	\$ 7,500	\$ 7,875	\$ 8,269	\$ 8,682	\$ 9,116	\$ 41,442
TOTAL M.1:		\$ 547,500	\$ 574,875	\$ 603,619	\$ 633,800	\$ 665,490	\$ 3,025,283

2. Fixed Pricing for Core Requirements and Deliverables as Specified in Exhibit B, Section D, Item 5.

Description	Fixed Price FY 2024 (per bond offering)	Fixed Price FY 2025 (per bond offering)	Fixed Price FY 2026 (per bond offering)	Fixed Price FY 2027 (per bond offering)	Fixed Price FY 2028 (per bond offering)	Fixed Price Grand Total
Professional Audit Services (as specified in Exhibit B, section D.5.), for the provision of consent letters allowing for the inclusion of Proposer's audit opinion related to a particular City ACFR in both the preliminary official statement and the final official statement for a City bond offering.	\$ 5,000	\$ 5,250	\$ 5,513	\$ 5,788	\$ 6,078	\$ 27,628

Grand Total (M.1 and M.2): \$ 3,052,911

Fee Assumptions

- **NO ADDITIONAL CHARGE:** Routine telephone calls are considered part of the basic services.
- **NO ADDITIONAL CHARGE:** for access to our thought leadership e-communications, webinars and literature.
- **NO ADDITIONAL CHARGE:** for use of our secure information-sharing tool (Exchange) to gather and track audit requests or for additional data analytics tools that we incorporate into our audits.
- We will not surprise you with additional fees that have not been agreed to by all parties in advance. If a question results in significant research or additional work or if we are requested to perform a consulting project, such effort is billed separately. We will provide you with an estimate of fees for such services and obtain management approval before proceeding.
- The Single Audit fee assumes 3 major programs annually. Any additional major programs will be billed based on level of effort.
- To offset various overhead expenses associated with providing professional services that are not directly invoiced, a business services fee will be billed at 5% of total invoiced fees and expenses prior to tax. The business services fee reflects our estimate of costs including but not limited to technology, data security, administrative support, processing support, and other related support on this engagement.

We ask clients to pay invoices via check, ACH, or wire transfer. Crowe invoices in equal quarterly installments. Our contract with you clarifies that, should a termination occur, you and we would determine any appropriate adjustments to actual fees paid as needed.

Hourly Cost for Additional Auditing or “As-Needed” Services by Level and Fiscal Year

Professional fees for special projects outside of the agreed-upon scope will be determined based on project factors, such as type of project, subject matter experience required, scope, and resource requirements. Prior to commencing additional services, we will obtain your approval and agreement on the scoping and pricing. We have provided a discount on our standard fees as an investment in our relationship with you.

Billing Rates by Level	Standard Rate	Discounted Rate
Partner / Principal / Director	\$1,050	\$650
Senior Manager/ Manager	\$600	\$450
Senior Staff	\$300	\$225
Staff	\$225	\$170
Paraprofessional	\$125	\$100